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, 2024

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

Cantaloupe, Inc.

(Exact name of registrant as specified in its charter)

Pennsylvania	**23-2679963**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
101 Lindenwood Drive Malvern, Pennsylvania	**19355**
(Address of principal executive offices)	(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	☐	Accelerated filer	☑
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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

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

As of May 6, 2024, there were 72,809,713 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, 2024 (Unaudited)	June 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 50,197	$ 50,927
Accounts receivable, net	43,324	30,162
Finance receivables, net	5,781	6,668
Inventory, net	37,364	31,872
Prepaid expenses and other current assets	8,327	3,754
Total current assets	144,993	123,383
Non-current assets:		
Finance receivables due after one year, net	11,041	13,307
Property and equipment, net	30,320	25,281
Operating lease right-of-use assets	8,164	2,575
Intangibles, net	26,687	27,812
Goodwill	94,008	92,005
Other assets	4,688	5,249
Total non-current assets	174,908	166,229
Total assets	$ 319,901	$ 289,612
Liabilities, convertible preferred stock, and shareholders' equity		
Current liabilities:		
Accounts payable	$ 64,128	$ 52,869
Accrued expenses	24,824	26,276
Current obligations under long-term debt	1,450	882
Deferred revenue	1,893	1,666
Total current liabilities	92,295	81,693
Long-term liabilities:		
Deferred income taxes	409	275
Long-term debt, less current portion	36,647	37,548
Operating lease liabilities, non-current	9,035	2,504
Total long-term liabilities	46,091	40,327
Total liabilities	138,386	122,020
Commitments and contingencies (Note 15)		
Convertible preferred stock:		
Series A convertible preferred stock, 900,000 shares authorized, 385,782 issued and outstanding, with liquidation preferences of $22,722 and $22,144 at March 31, 2024 and June 30, 2023, respectively	2,720	2,720
Shareholders' equity:		
Common stock, no par value, 640,000,000 shares authorized, 72,799,266 and 72,664,464 shares issued and outstanding at March 31, 2024 and June 30, 2023, respectively	481,467	477,324
Accumulated deficit	(302,665)	(312,452)
Accumulated other comprehensive loss	(7)	—
Total shareholders' equity	178,795	164,872
Total liabilities, convertible preferred stock, and shareholders' equity	$ 319,901	$ 289,612

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 March 31, 2024	Three months ended March 31, 2023	Nine months ended March 31, 2024	Nine months ended March 31, 2023
Revenues:				
Subscription and transaction fees	$ 59,207	$ 51,245	$ 170,371	$ 147,252
Equipment sales	8,690	9,111	25,568	32,216
Total revenues	67,897	60,356	195,939	179,468
Costs of sales:				
Cost of subscription and transaction fees	32,926	29,577	96,539	90,149
Cost of equipment sales	8,064	7,886	23,849	33,823
Total costs of sales	40,990	37,463	120,388	123,972
Gross profit	26,907	22,893	75,551	55,496
Operating expenses:				
Sales and marketing	5,747	3,154	14,256	8,888
Technology and product development	4,916	4,594	12,115	16,757
General and administrative	8,552	7,041	29,493	25,179
Investigation, proxy solicitation and restatement expenses, net of insurance recoveries	—	(1,000)	—	(453)
Integration and acquisition expenses	907	—	1,078	2,787
Depreciation and amortization	2,493	2,364	7,976	5,029
Total operating expenses	22,615	16,153	64,918	58,187
Operating income (loss)	4,292	6,740	10,633	(2,691)
Other income (expense):				
Interest income from cash and leases	495	540	1,505	1,985
Interest income (expense) from debt and tax liabilities	162	(263)	(1,947)	(1,258)
Other expense, net	(209)	(13)	(158)	(112)
Total other income (expense), net	448	264	(600)	615
Income (loss) before income taxes	4,740	7,004	10,033	(2,076)
Provision for income taxes	(84)	(56)	(246)	(123)
Net income (loss)	4,656	6,948	9,787	(2,199)
Preferred dividends	(289)	(289)	(578)	(623)
Net income (loss) applicable to common shares	$ 4,367	$ 6,659	$ 9,209	$ (2,822)
Net earnings (loss) per common share				
Basic	$ 0.06	$ 0.09	$ 0.13	$ (0.04)
Diluted	0.06	0.09	0.12	(0.04)
Weighted average number of common shares outstanding used to compute net earnings (loss) per share applicable to common shares				
Basic	72,851,498	72,491,373	72,770,582	71,771,135
Diluted	74,068,437	72,866,221	74,054,820	71,771,135

See accompanying notes to condensed consolidated financial statements.

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

($ in thousands)	Three months ended March 31, 2024	Three months ended March 31, 2023	Nine months ended March 31, 2024	Nine months ended March 31, 2023
Net income (loss)	$ 4,656	$ 6,948	$ 9,787	$ (2,199)
Foreign currency translation adjustments	17	—	(7)	—
Other comprehensive income (loss)	17	—	(7)	—
Total comprehensive income (loss)	$ 4,673	$ 6,948	$ 9,780	$ (2,199)

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

Three and Nine Months Ended March 31, 2024

($ in thousands, except share data)	Convertible Preferred Stock Shares	Convertible Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, June 30, 2023	385,782	$ 2,720	72,664,464	$ 477,324	$ (312,452)	$ —	$ 164,872
Stock-based compensation	—	—	20,801	1,934	—	—	1,934
Exercise of stock options	—	—	10,000	74	—	—	74
Net income	—	—	—	—	2,007	—	2,007
Balance, September 30, 2023	385,782	2,720	72,695,265	479,332	(310,445)	—	168,887
Stock-based compensation	—	—	43,793	1,109	—	—	1,109
Other comprehensive loss	—	—	—	—	—	(24)	(24)
Net income	—	—	—	—	3,124	—	3,124
Balance, December 31, 2023	385,782	2,720	72,739,058	480,441	(307,321)	(24)	173,096
Stock-based compensation	—	—	55,208	1,004	—	—	1,004
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

Three and Nine Months Ended March 31, 2023

($ in thousands, except share data)	Convertible Preferred Stock Shares	Convertible Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, June 30, 2022	445,063	$ 3,138	71,188,053	$ 469,918	$ (313,085)	$ —	$ 156,833
Stock-based compensation	—	—	30,077	1,318	—	—	1,318
Repurchase of Series A convertible preferred stock	(59,281)	(418)	—	(1,733)	—	—	(1,733)
Net loss	—	—	—	—	(8,574)	—	(8,574)
Balance, September 30, 2022	385,782	2,720	71,218,130	469,503	(321,659)	—	147,844
Stock-based compensation	—	—	3,919	160	—	—	160
Common stock issued for acquisition	—	—	1,240,920	3,942	—	—	3,942
Net loss	—	—	—	—	(573)	—	(573)
Balance, December 31, 2022	385,782	2,720	72,462,969	473,605	(322,232)	—	151,373
Stock-based compensation	—	—	46,292	1,410	—	—	1,410
Net income	—	—	—	—	6,948	—	6,948
Balance, March 31, 2023	385,782	$ 2,720	72,509,261	$ 475,015	$ (315,284)	$ —	$ 159,731

See accompanying notes to condensed consolidated financial statements.

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

	Nine months ended March 31,	
($ in thousands)	**2024**	**2023**
Cash flows from operating activities:		
Net income (loss)	$ 9,787	$ (2,199)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Stock based compensation	4,047	2,889
Amortization of debt issuance costs and discounts	93	87
Provision for expected losses	3,423	1,823
Provision for inventory reserve	92	25
Depreciation and amortization included in operating expenses	7,976	5,029
Depreciation included in cost of subscription and transaction fees for rental equipment	1,137	852
Non-cash lease expense	1,070	(429)
Deferred income taxes	134	72
Other	527	363
Changes in operating assets and liabilities:		
Accounts receivable	(16,471)	9,589
Finance receivables	3,038	(653)
Inventory	(5,584)	(8,245)
Prepaid expenses and other assets	(3,762)	(746)
Accounts payable and accrued expenses	8,455	(2,868)
Operating lease liabilities	(655)	183
Deferred revenue	174	1
Net cash provided by operating activities	13,481	5,773
Cash flows from investing activities:		
Acquisition of business, net of cash acquired	(4,750)	(35,855)
Capital expenditures	(9,175)	(12,634)
Net cash used in investing activities	(13,925)	(48,489)
Cash flows from financing activities:		
Proceeds from long-term debt	—	25,000
Repayment of long-term debt	(389)	(580)
Contingent consideration paid for acquisition	—	(1,000)
Proceeds from exercise of common stock options	96	—
Repurchase of Series A Convertible Preferred Stock	—	(2,153)
Net cash (used in) provided by financing activities	(293)	21,267
Effect of currency exchange rate changes on cash and cash equivalents	7	—
Net decrease in cash and cash equivalents	(730)	(21,449)
Cash and cash equivalents at beginning of year	50,927	68,125
Cash and cash equivalents at end of period	$ 50,197	$ 46,676
Supplemental disclosures of cash flow information:		
Interest paid in cash	$ 2,628	$ 1,869
Income taxes paid in cash	$ 142	$ 44
Common stock issued in business combination	$ —	$ 3,942

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 of the Company have been prepared in accordance with U.S. generally accepted accounting principles 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, 2023 Annual Report on Form 10-K.

All intercompany transactions and balances have been eliminated in consolidation. In the opinion of management, all adjustments considered necessary for a fair presentation, consisting of normal recurring adjustments, have been included. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the entire fiscal year.

The Company operates as one operating segment because its chief operating decision maker, who is the Chief Executive Officer, reviews its financial information on a consolidated basis for purposes of making decisions regarding allocating resources and assessing performance.

We translate the result of operations of our foreign subsidiaries using average exchange rates for each period, whereas balance sheet accounts are translated using exchange rates at the end of each reporting period. The resulting translation adjustment is presented as a component of other comprehensive income (loss) and is included in accumulated comprehensive income (loss) within equity in our condensed consolidated balance sheets. Gains and losses on transactions denominated in currencies other than the functional currency are generally included in determining net income for the period. For the three and nine months ended March 31, 2024 and 2023, our transaction gains and losses were insignificant.

Reclassification

Beginning with the fourth quarter of fiscal year 2023, the Company presented convertible preferred stock on its consolidated statements of shareholders' equity and changed the name of the statement to consolidated statements of convertible preferred stock and shareholders' equity accordingly. Prior period amounts have been reclassified to conform to the current period presentation.

Recently Issued 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 2026 annual reporting period. 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 2025 annual reporting period. Interim disclosures are required for periods within fiscal years beginning after December 15, 2024, which is the Company's fiscal year 2026 interim reporting periods. 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.

No other new accounting pronouncements, issued or effective during the period ended March 31, 2024, 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 for uncollectible accounts were $43.3 million as of March 31, 2024 and $30.2 million as of June 30, 2023. The increase in accounts receivable at March 31, 2024 compared to June 30, 2023 is primarily due to the timing of the settlement receivables due from third-party payment processors which varies depending on the timing of the last business day of each period.

Concentrations

As of March 31, 2024 and June 30, 2023, no customer represented more than 10% of the Company's accounts receivable, net of allowance.

Allowance for credit losses

The Company maintains an allowance for credit losses resulting from the inability of its customers to make required payments, including from a shortfall in the customer transaction fund flow from which the Company would normally collect amounts due. The allowance is calculated under an expected loss model. We estimate our allowance using an aging analysis (days past due status) of the receivables balances, primarily based on historical loss experience. Additionally, current conditions are analyzed to determine if the allowance calculation needs to be adjusted further for any qualitative factors impacting a customer’s ability to meet its financial obligations that is not already reflected through the historical loss analysis. The Company writes off receivable balances against the allowance for credit losses when management determines the balance is uncollectible and the Company ceases collection efforts.

The following table represents a rollforward of the allowance for credit losses for the nine months ended March 31, 2024 and 2023:

($ in thousands)	Nine months ended March 31, 2024	2023
Beginning balance of allowance as of June 30	$ 10,815	$ 9,328
Provision for expected losses	958	1,044
Write-offs	(60)	(127)
Balance at September 30	11,713	10,245
Provision for expected losses	1,266	91
Write-offs	(134)	(214)
Balance at December 31	12,845	10,122
Provision for expected losses	1,085	296
Write-offs	(735)	—
Balance at March 31	$ 13,195	$ 10,418

4. FINANCE RECEIVABLES

The Company's finance receivables consist of financed devices under its financing program and devices contractually associated with the Seed platform. Predominately all of the Company's finance receivables agreements are classified as non-cancellable sixty-month sales-type leases. As of March 31, 2024 and June 30, 2023, finance receivables consist of the following:

($ in thousands)	March 31, 2024	June 30, 2023
Current finance receivables, net	$ 5,781	$ 6,668
Finance receivables due after one year, net	11,041	13,307
Total finance receivables, net of allowance of $2,212 and $2,098, respectively	$ 16,822	$ 19,975

We collect lease payments from customers primarily as part of the flow of funds from our transaction processing service. 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.

Credit risk for finance receivables is continuously monitored by management and reflected within the allowance for finance receivables. As our finance receivables generally have similar risk characteristics, our key credit quality indicator is the aging (days past due status) of our aggregated finance receivables balances. Specifically, we estimate our allowance by using an aging analysis of the aggregated finance receivables balances, primarily based on historical loss experience. Additionally, current conditions are analyzed to determine if the allowance calculation needs to be adjusted further for any qualitative factors impacting a customer's ability to meet its financial obligations that is not already reflected through the historical loss analysis. The Company writes off finance receivable balances against the allowance for credit losses when management determines the balance is uncollectible and the Company ceases collection efforts.

At March 31, 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						
	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	Total
Current	$ 2,284	$ 7,423	$ 4,399	$ 1,225	$ 523	$ 25	$ 15,879
30 days and under	12	70	87	40	72	42	323
31-60 days	6	48	65	31	45	40	235
61-90 days	5	43	54	26	40	35	203
Greater than 90 days	41	716	436	65	272	864	2,394
Total finance receivables	$ 2,348	$ 8,300	$ 5,041	$ 1,387	$ 952	$ 1,006	$ 19,034

At June 30, 2023, 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						
	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	Total
Current	$ 6,595	$ 6,505	$ 3,304	$ 1,306	$ 846	$ 829	$ 19,385
30 days and under	66	73	69	52	22	68	350
31-60 days	53	40	32	42	19	71	257
61-90 days	60	52	26	32	16	71	257
Greater than 90 days	155	132	197	233	271	836	1,824
Total finance receivables	$ 6,929	$ 6,802	$ 3,628	$ 1,665	$ 1,174	$ 1,875	$ 22,073

The following table represents a rollforward of the allowance for finance receivables for the nine months ended March 31, 2024 and 2023:

($ in thousands)	Nine months ended March 31,	
	2024	2023
Balance at June 30	$ 2,098	$ 760
Provision for expected losses	51	392
Write-offs	—	—
Balance at September 30	2,149	1,152
Provision for expected losses	108	—
Write-offs	—	(288)
Balance at December 31	2,257	864
Provision for expected losses	(45)	—
Write-offs	—	—
Balance at March 31	$ 2,212	$ 864

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

($ in thousands)		
2024	$	7,096
2025		6,228
2026		4,371
2027		2,295
2028		695
Thereafter		14
Total amounts to be collected		20,699
Less: interest		(1,665)
Less: allowance for uncollectible receivables		(2,212)
Total finance receivables	$	16,822

5. LEASES

Lessee Accounting

We have operating leases which are primarily 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		As of March 31, 2024		As of June 30, 2023
Assets:	Operating lease right-of-use assets	$	8,164	$	2,575
Liabilities:					
Current	Accrued expenses	$	738	$	1,266
Long-term	Operating lease liabilities, non-current		9,035		2,504
Total lease liabilities		$	9,773	$	3,770

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

($ in thousands)		Nine months ended March 31, 2024		Nine months ended March 31, 2023
Supplemental cash flow information:				
Cash paid for amounts included in the measurement of operating lease liabilities	$	1,827	$	1,793
Non-cash activity:				
Lease assets obtained in exchange for new operating lease liabilities	$	6,657	$	—

Maturities of lease liabilities by fiscal year for our leases as of March 31, 2024 are as follows:

($ in thousands)	Operating Leases
Remainder of 2024	$ 321
2025	1,623
2026	2,341
2027	1,792
2028	1,359
Thereafter	$ 6,570
Total lease payments	$ 14,006
Less: Imputed interest	(4,233)
Present value of lease liabilities	$ 9,773

In February 2023, the Company extended the lease for its existing Atlanta, Georgia office for an additional 73-months period including rent-free periods. The lease commenced on July 1, 2023 and we recognized right-of-use operating lease assets of $1.8 million in exchange for operating lease liabilities.

In May 2023, the Company signed a new lease for its office in Malvern, Pennsylvania. The new lease has a 133-months term starting in March 2024. The Company determined the lease commenced on November 1, 2023 when the lessor granted early access to the Company to begin making leasehold improvements prior to start of the formal lease term. We recognized right-of-use operating lease assets of $4.9 million in exchange for operating lease liabilities on the commencement date.

Lessor Accounting

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

($ in thousands)	March 31, 2024	June 30, 2023
Cost	$ 30,955	28,398
Accumulated depreciation	(24,605)	(23,221)
Net	$ 6,350	$ 5,177

For the three months ended March 31, 2024 and 2023, the Company recognized $2.1 million and $2.0 million of revenue from its device rental program, respectively, included in the Subscription and Transaction fees on its Condensed Consolidated Statements of Operations.

For the nine months ended March 31, 2024 and 2023, the Company recognized $6.1 million and $5.7 million of revenue from its device rental program, respectively, 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, 2024 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, 2024 and June 30, 2023 consisted of the following:

($ in thousands)	As of March 31, 2024	As of June 30, 2023
JPMorgan Credit Facility*	$ 38,188	$ 38,563
Other obligations	36	50
Less: unamortized issuance costs and debt discount	(127)	(183)
Total	38,097	38,430
Less: debt and other financing arrangements, current	(1,450)	(882)
Debt and other financing arrangements, noncurrent	$ 36,647	$ 37,548

* See discussion below on amendment to the JPMorgan Credit Facility.

Details of interest expense presented on the condensed consolidated statements of operations are as follows:

	Three months ended March 31,		Nine months ended March 31,	
($ in thousands)	2024	2023	2024	2023
JPMorgan Credit Facility*	894	1,142	2,718	1,733
Other interest (income) expense on tax liabilities	(1,056)	(879)	(771)	(475)
Total interest (income) expense, net on debt and tax liabilities	$ (162)	$ 263	$ 1,947	$ 1,258

JPMorgan Chase Bank Credit Agreement

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 “Amended Revolving Facility”) and a $25 million secured term facility (the “Amended Secured Term Facility” and together with the Amended Revolving Facility, the “Amended JPMorgan Credit Facility”), and fully replaces our previous 2021 JPMorgan Credit Facility. The Amended Secured Term Facility includes a $10 million increase from the 2021 JPMorgan Secured Term Facility which is available for a period of up to twelve months following the Closing Date.

On December 1, 2022, the Company entered into a first amendment (the “2022 Amendment”) to its Amended and Restated Credit Agreement, 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 Amended JPMorgan Credit Facility, including $15 million from the revolving credit facility and $10 million from the term facility, to partially fund the cash consideration of the 32M acquisition as referenced in *Note 9 - Acquisition*. No issuance costs were capitalized in connection with this amendment.

The proceeds of the Amended JPMorgan Credit Facility may be used to refinance certain existing indebtedness of the Company and its subsidiaries, to finance the working capital needs, and for general corporate purposes (including permitted acquisitions), of the Company and its subsidiaries.

The Amended JPMorgan Credit Facility matures on March 16, 2026. Interest on the Amended JPMorgan Credit Facility will be 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 Amended JPMorgan Credit Facility will also carry a commitment fee of 0.50% per annum on the unused portion. As of March 31, 2024, the weighted-average interest rate for the Amended JPMorgan Credit Facility is approximately 9.0%.

The 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's obligations under its long-term debt agreements are carried at amortized cost, which approximates their fair value as of March 31, 2024, as the debt facility was amended in December 2022 and the interest rates applicable are variable in nature.

The Company was in compliance with its financial covenants for the Amended JPMorgan Credit Facility as of March 31, 2024.

The expected maturities associated with the Company's outstanding debt and other financing arrangements as of March 31, 2024, were as follows:

2024	$ 568
2025	1,333
2026	36,323
Principal amounts payable	38,224
Unamortized issuance costs	(127)
Total outstanding debt	$ 38,097

7. ACCRUED EXPENSES

Accrued expenses consisted of the following as of March 31, 2024 and June 30, 2023:

($ in thousands)	As of March 31, 2024	As of June 30, 2023
Sales tax reserve	10,793	$ 13,597
Accrued compensation and related sales commissions	3,112	4,069
Operating lease liabilities, current	738	1,266
Accrued professional fees	5,726	4,196
Accrued taxes and filing fees payable	1,630	1,944
Other accrued expenses	1,333	762
Consideration withheld for acquisitions*	1,492	442
Total accrued expenses	$ 24,824	$ 26,276

* See *Note 9 - Acquisition* for description of the arrangement.

8. GOODWILL AND INTANGIBLES

Intangible asset balances and goodwill consisted of the following:

	As of March 31, 2024			
($ in thousands)	Gross	Accumulated Amortization	Net	Amortization Period
Intangible assets:				
Brand and tradenames	$ 2,611	$ (1,747)	$ 864	1 - 7 years
Developed technology	20,462	(12,868)	7,594	5 - 6 years
Customer relationships	27,224	(8,995)	18,229	5 - 18 years
Total intangible assets	$ 50,297	$ (23,610)	$ 26,687	
Goodwill	94,008	—	94,008	Indefinite

($ in thousands)	As of June 30, 2023 Gross	Accumulated Amortization	Net	Amortization Period
Intangible assets:				
Brand and tradenames	2,161	(1,414)	747	1 - 7 years
Developed technology	20,188	(11,066)	9,122	5 - 6 years
Customer relationships	24,714	(6,771)	17,943	5 - 18 years
Total intangible assets	$ 47,063	$ (19,251)	$ 27,812	
Goodwill	92,005	—	92,005	Indefinite

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.

During the three and nine months ended March 31, 2023, there was $1.7 million and $3.4 million for each respective period in amortization related to intangible assets that was recognized.

The Company performs an annual goodwill impairment test on April 1 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 three and nine months ended March 31, 2024 and March 31, 2023, the Company did not recognize any impairment charges related to goodwill.

9. ACQUISITIONS

CHEQ

On February 1, 2024, the Company acquired all of the equity interests of Cheq Lifestyle Technology, Inc. ("CHEQ"). Founded in 2021, 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.

The acquisition of CHEQ was accounted for as a business combination using the acquisition method of accounting. The purchase price of the acquired company was allocated between tangible and intangible assets acquired and liabilities assumed from the acquired business 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.

The Company paid an aggregate purchase price consideration of $4.8 million including $1.1 million cash held back by the Company for net working capital and other post-closing adjustments. The acquisition was funded by the Company's cash on hand.

The following table summarizes the preliminary fair value assigned to the assets acquired and liabilities assumed at the acquisition date of February 1, 2024.

($ in thousands)		Amount
Cash and cash equivalents	$	84
Property and equipment, net		1,160
Intangible assets		2,600
Other assets		381
Total identifiable assets acquired		4,225
Accounts payable		(442)
Other liabilities		(52)
Total liabilities assumed		(494)
Total identifiable net assets		3,731
Goodwill		1,105
Fair value of total consideration transferred	$	4,836

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 $1.7 million related to developed technology, $0.4 million related to customer relationships, and $0.5 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 royalty 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.

Goodwill of $1.1 million arising from the acquisition includes the expected synergies between CHEQ and the Company and intangible assets that do not qualify for separate recognition at the time of acquisition. The goodwill, which is deductible for income tax purposes, was assigned to the Company's only reporting unit.

The above allocation of the purchase price is provisional and is still subject to change within the measurement period. The final allocation of the purchase price is expected to be completed as soon as practicable, but no later than one year from the date of the acquisition.

The Company recognized $0.9 million and $1.0 million of integration and acquisition related costs that were expensed for the three and nine months ended March 31, 2024. These costs are recorded within integration and acquisition expenses in the Condensed Consolidated Statements of Operations. Pro forma financial information of the acquisition is not presented due to the immaterial impact of the financial results of CHEQ in the Company's Consolidated Financial Statements.

Three Square Market

On December 1, 2022, the Company acquired all of the equity interests of Three Square Market, Inc., a Wisconsin corporation, and Three Square Market Limited, a UK private limited company (collectively "32M") pursuant to an Equity Purchase Agreement. 32M is a leading provider of software and self-service kiosk-based point of sale and payment solutions to the micro market industry and the acquisition expanded the Company's presence in that industry. In addition to new technology and services, due to 32M's existing customer base, the acquisition expanded the Company's footprint into new global markets.

The acquisition of 32M was accounted for as a business combination using the acquisition method of accounting. The purchase price of the acquired company was allocated between tangible and intangible assets acquired and liabilities assumed from the acquired business 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.

The Company paid an aggregate purchase price consideration of $41.1 million, which consisted of $36.6 million in cash and 1,240,920 shares of the Company's common stock (the "Stock Consideration") with an aggregate fair value of $4.5 million for the acquisition of 32M. The aggregate cash consideration includes $0.5 million of cash paid into an escrow account for net working capital and other post-closing adjustments. Additionally, the Stock Consideration of 1,240,920 shares ("Escrowed Shares") referred to above were placed into an escrow account to resolve indemnification claims for breach of certain representations and warranties. 50% of the Escrowed Shares were released as of the first anniversary of the acquisition date and the remaining 50% will be released on the second anniversary of the acquisition date, less any shares that may be returned to the Company on account of any indemnity claims. The Escrowed Shares are considered to be issued and outstanding shares of the Company as of the acquisition date.

The company funded the cash consideration of the acquisition by borrowing $25 million of debt from the JPMorgan Credit Facility and the remaining consideration utilizing existing cash on hand.

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

($ in thousands)		
Closing cash consideration	$	36,605
Stock consideration		4,506
Fair value of total consideration transferred	$	41,111

The following table summarizes the adjusted fair value assigned to the assets acquired and liabilities assumed as of December 1, 2023.

($ in thousands)		**Amount**
Cash and cash equivalents	$	391
Accounts receivable		1,780
Inventories		2,011
Intangible assets		15,538
Other assets		629
Total identifiable assets acquired		20,349
Accounts payable		(2,410)
Tax liabilities		(3,033)
Total liabilities assumed		(5,443)
Total identifiable net assets		14,906
Goodwill		26,205
Fair value of total consideration transferred	$	41,111

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 $7.5 million related to developed technology, $7.5 million related to customer relationships, and $0.5 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 with-and-without method which estimates the value using the cash flow impact in a scenario where the customer relationships are not in place. The significant unobservable inputs used in the valuation of the customer relationship asset and acquired developed technology asset are the revenue growth rates used in the development of the projected financial information used as an input to calculate those values and the discount rate applied. 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, trade names were 5, 5 and 3 years, respectively.

Goodwill of $26.2 million arising from the acquisition includes the expected synergies between 32M and the Company and intangible assets that do not qualify for separate recognition at the time of acquisition. The goodwill, which is deductible for income tax purposes, was assigned to the Company’s only reporting unit.

Subsequent to the acquisition closing date and within the one-year measurement period, the Company adjusted the purchase price allocation from what was initially recognized to reflect facts and circumstances in existence as of the acquisition close date. These adjustments included a net increase of $0.3 million to the overall purchase price consideration, a $2.3 million increase in intangible assets, a net decrease of $1.0 million in working capital, a $0.2 million increase in other assets, a $1.1 million increase in tax liabilities, and a $0.7 million decrease in accounts payable. Recognized goodwill increased by $0.6 million as a result of these adjustments. Furthermore, the Company recorded additional amortization expense of $0.5 million associated with the increase in fair value of the recognized intangible assets in its Consolidated Statement of Operations during the measurement period.

The above table represents the final allocation of the purchase price.

Yoke Payments

In August 2021, we completed the acquisition of certain assets and liabilities of Delicious Nutritious LLC, doing business as Yoke Payments ("Yoke"), a micro market payments company. The acquisition of Yoke was accounted for as a business combination using the acquisition method of accounting which includes the results of operations of the acquired business from the date of acquisition. The purchase price of the acquired company is allocated between tangible and intangible assets acquired and liabilities assumed from the acquired business 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.

Through the acquisition, Yoke's point of sale platform extended its offering to provide self-checkout while seamlessly integrating with Cantaloupe's inventory management and payment processing platforms.

The consideration transferred for the acquisition included payments of $3 million in cash at the close of the transaction and $1 million in deferred cash payment due on or before July 30, 2022 based on the achievement of certain sales growth targets. On July 27, 2022, the Company made the cash payment of $1 million in accordance with the agreement consideration.

Additionally in connection with the acquisition, the Company will issue common stock to the former owners of Yoke based on the achievement of certain sales growth targets for software licenses through July 31, 2024 and continued employment as of the respective measurement dates. The accounting treatment for these awards in the context of the business combination is to recognize the awards as a post-combination expense and were not included in the purchase price. We will begin recognizing compensation expense for these awards over that requisite service period when it becomes probable that the performance condition would be satisfied. At each reporting date, we assess the probability of achieving the sales targets and fulfilling the performance condition. As of March 31, 2024, we determined that it is not probable that the performance condition would be satisfied and, accordingly, have not recognized compensation expense related to these awards.

The following table summarizes the total consideration paid for Yoke, total net assets acquired, identifiable assets and goodwill recognized at the acquisition date:

($ in thousands)		**Amount**
Consideration		
Cash	$	2,966
Contingent consideration arrangement		1,000
Fair value of total consideration transferred		3,966
Recognized amounts of identifiable assets		
Total net assets acquired		21
Identifiable intangible assets		1,235
Total identifiable net assets		1,256
Goodwill	$	2,710

Amounts allocated to identifiable intangible assets included $0.9 million related to developed technology, $0.3 million related to customer relationships, and $0.1 million related to other intangible assets. 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 with-and-without method which estimates the value using the cash flow impact in a scenario where the customer relationships are not in place. The recognized intangible assets will be amortized on a straight-line basis over the estimated useful lives of the respective assets.

Goodwill of $2.7 million arising from the acquisition includes the expected synergies between Yoke and the Company and intangible assets that do not qualify for separate recognition at the time of acquisition. The goodwill, which is 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, noting no material measurement period adjustments. Pro forma financial information of the acquisition is not presented due to the immaterial impact of the financial results of Yoke in the Company's Consolidated Financial Statements.

10. REVENUES

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

	Three months ended March 31,		Nine months ended March 31,	
($ in thousands)	**2024**	**2023**	**2024**	**2023**
Transaction fees	$ 40,034	$ 33,389	$ 114,956	$ 97,076
Subscription fees	19,173	17,856	55,415	50,176
Subscription and transaction fees	$ 59,207	$ 51,245	$ 170,371	$ 147,252
Equipment sales	8,690	9,111	25,568	32,216
Total revenues	$ 67,897	$ 60,356	$ 195,939	$ 179,468

Contract Liabilities

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

	Three months ended March 31,	
($ in thousands)	**2024**	**2023**
Deferred revenue, beginning of the period	$ 1,788	$ 1,970
Deferred revenue, end of the period	1,893	1,894
Revenue recognized in the period from amounts included in deferred revenue at the beginning of the period	$ 268	$ 94

	Nine months ended March 31,	
($ in thousands)	**2024**	**2023**
Deferred revenue, beginning of the period	$ 1,666	$ 1,893
Deferred revenue, end of the period	1,893	1,894
Revenue recognized in the period from amounts included in deferred revenue at the beginning of the period	$ 475	$ 319

The change in the contract liability balances period-over-period is primarily the result of timing difference between the Company’s satisfaction of a performance obligation and payment from the customer.

Future Performance Obligations

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, 2024:

($ in thousands)		As of March 31, 2024
Remainder of fiscal year 2024	$	1,520
2025		5,941
2026		3,793
Thereafter		—
Total	$	11,254

Contract Costs

At March 31, 2024, the Company had net capitalized costs to obtain contracts of $0.9 million included in Prepaid expenses and other current assets and $2.4 million included in Other noncurrent assets on the Condensed Consolidated Balance Sheet. At June 30, 2023, the Company had net capitalized costs to obtain contracts of $0.6 million included in Prepaid expenses and other current assets and $2.8 million included in Other noncurrent assets on the Condensed Consolidated Balance Sheet. None of these capitalized contract costs were impaired.

During the three and nine months ended March 31, 2024, amortization of capitalized contract costs was $0.2 million and $0.7 million, respectively. During the three and nine months ended March 31, 2023, amortization of capitalized contract costs was $0.2 million and $0.6 million, respectively.

11. SHARE 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) it grants 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, 2024 and 2023 were determined using the following assumptions and includes only options with an established grant date under ASC 718:

	Nine months ended March 31,			
	2024		2023	
Expected volatility (percent)		52.6% - 69.7%		74.6% - 77.6%
Weighted average expected life (years)		4.2 - 4.5		4.4 - 4.6
Dividend yield (percent)		0.0 %		0.0 %
Risk-free interest rate (percent)		4.1% - 4.3%		2.7% - 4.1%
Number of options granted		175,000		1,720,000
Weighted average exercise price	$	6.92	$	4.61
Weighted average grant date fair value	$	4.01	$	2.89

Stock based compensation related to stock options with an established grant date for the three and nine months ended March 31, 2024 was $0.6 million and $2.4 million, respectively, and for the three and nine months ended March 31, 2023 was $1.1 million and $2.7 million, respectively.

Performance based awards

The Company has awarded stock options to certain executives which vest each year over a three to four year period. These stock options are subject to the achievement of performance goals to be established by the Company's Board for each fiscal year.

The Compensation Committee of the Board of Directors has established the performance metrics as a price target for the trading price of the Company's common stock in each applicable fiscal year. The price target is achieved if the average closing price of the common stock during any consecutive 30-trading-day period during the applicable fiscal year meets or exceeds: (i) $10.50 in the case of fiscal year 2021; (ii) $13.50 in the case of fiscal year 2022; (iii) $16.50 in the case of fiscal year 2023; and (iv) $19.50 in the case of fiscal year 2024. If at least 80% of the performance goals for an applicable fiscal year are achieved, the Compensation Committee may determine that the portion of the option eligible to vest based on such fiscal year's performance will vest on a prorated basis. In so determining, the Compensation Committee will consider the Company's performance relative to its market competitors and any other considerations deemed relevant by the Compensation Committee. The Compensation Committee's guideline is generally that for every percentage point the achieved price falls below the price target, the percentage of the performance options eligible to vest in respect of the applicable fiscal year should be reduced by 2%, but the Compensation Committee may vary this formula in its sole discretion.

For these performance based awards that provide discretion to the Compensation Committee, a mutual understanding of the key terms and conditions between the Company and the employees have not yet been met and a "Grant Date" as defined in *ASC Topic 718 Compensation — Stock Compensation*, has not been established. When the service period begins prior to the grant date, the Company begins recognizing compensation cost before there is a grant date. The Company estimates the award's fair value at each reporting period for these equity-classified awards, until the grant date, utilizing a Monte Carlo simulation valuation model. The total expense recognized for the three ended March 31, 2024 was immaterial for these awards. Total expense recognized for the nine months ended March 31, 2024 was $0.1 million. We did not recognize any related expenses during the three months ended March 31, 2023. The total benefit recognized for the nine months ended March 31, 2023 for these awards was $1.1 million, as a result of reversing unvested grants for terminated executives during the period.

Restricted Stock Awards

The Company grants 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 method over the vesting period which is typically a three-year service period. The total expense recognized for restricted stock awards for the three and nine months ended March 31, 2024 was $0.5 million and $1.6 million, respectively. The total expense recognized for restricted stock awards for the three and nine months ended March 31, 2023 was $0.3 million and $1.3 million, respectively.

12. INCOME TAXES

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 income tax provision primarily relates to state income and franchise taxes and deferred taxes related to goodwill. As of March 31, 2024, the Company had a total unrecognized income tax benefit of $0.7 million. The provision is based upon actual income before income taxes for the three months ended March 31, 2024, as this provides a more reliable estimate of the income tax provision than an estimated annual effective income tax rate.

As of March 31, 2024, the Company assessed its existing deferred tax assets and continues to record a full valuation allowance against its deferred tax assets. We considered both positive and negative evidence when evaluating the need for the valuation allowance on our deferred tax assets in accordance with ASC 740. Available evidence includes historical financial information supplemented by currently available information about future years. Generally, historical financial information is more objectively verifiable than projections of future income and is therefore given more weight in our assessment. In management's judgement there is not enough objectively verifiable information to provide sufficient positive evidence to counteract the negative evidence of historic losses. However, given the Company's current earnings and anticipated future earnings, the Company believes that there is a reasonable possibility that sufficient positive evidence may become available in future reporting periods to allow the Company to reach a conclusion that a portion of the valuation allowance will no longer be needed. Release of the valuation allowance would result in the recognition of certain deferred tax assets and a decrease to income tax expense for the period the release is recorded. The exact timing and amount of a potential valuation allowance release are subject to change on the basis of the level of profitability that the Company is able to actually achieve and limitations to the use of certain historical net operating losses.

For the three months ended March 31, 2023, the Company recorded an income tax provision of $0.1 million. For the nine months ended March 31, 2023, the Company recorded an income tax provision of $0.1 million. As of March 31, 2023, the Company reviewed the existing deferred tax assets and continues to record a full valuation allowance against its deferred tax assets. The income tax provisions primarily relate to the Company's uncertain tax positions, as well as state income and franchise taxes. As of March 31, 2023, the Company had a total unrecognized income tax benefit of $0.7 million. The provision is based upon actual loss before income taxes for the nine months ended March 31, 2023, as this provides a more reliable estimate of the income tax provision than an estimated annual effective income tax rate.

13. EARNINGS (LOSS) PER SHARE CALCULATION

Basic earnings (loss) per share is computed by dividing net earnings (loss) 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 (loss) per share is presented below:

	Three months ended March 31,	
($ in thousands, except per share data)	**2024**	**2023**
Numerator for basic and diluted loss per share		
Net income (loss)	$ 4,656	6,948
Preferred dividends	(289)	$ (289)
Net income (loss) applicable to common shareholders	4,367	6,659
Denominator for basic earnings (loss) per share - Weighted average shares outstanding	72,851,498	72,491,373
Effect of dilutive potential common shares	1,216,939	374,848
Denominator for diluted earnings (loss) per share - Adjusted weighted average shares outstanding	74,068,437	72,866,221
Basic earnings (loss) per share	$ 0.06	$ 0.09
Diluted earnings (loss) per share	$ 0.06	$ 0.09

	Nine months ended March 31,	
($ in thousands, except per share data)	**2024**	**2023**
Numerator for basic and diluted loss per share		
Net income (loss)	9,787	$ (2,199)
Preferred dividends	(578)	$ (623)
Net income (loss) applicable to common shareholders	9,209	(2,822)
Denominator for basic earnings (loss) per share - Weighted average shares outstanding	72,770,582	71,771,135
Effect of dilutive potential common shares	1,284,238	—
Denominator for diluted earnings (loss) per share - Adjusted weighted average shares outstanding	74,054,820	71,771,135
Basic earnings (loss) per share	$ 0.13	$ (0.04)
Diluted earnings (loss) per share	$ 0.12	$ (0.04)

Potentially anti-dilutive shares excluded from the calculation of diluted earnings per share were approximately 1 million for the three and nine months ended March 31, 2024. Potentially anti-dilutive shares excluded from the calculation of diluted earnings per share were approximately 4.5 million for the three months ended March 31, 2023.

14. SHAREHOLDERS' EQUITY AND PREFERRED STOCK

During the nine months ended March 31, 2023, the Company retired 59,281 shares of its Series A convertible preferred stock that it purchased for an aggregate amount of approximately $2.45 million. The repurchase transaction was primarily accounted for as an extinguishment of preferred stock and recorded as a decrease to the carrying value of the preferred stock in the amount of $0.42 million and common stock of $1.73 million for an aggregate amount of $2.15 million that was included within the cash flows from financing activities in the condensed consolidated statements of cash flows. The remaining $0.3 million was deemed to be an amount in excess of the fair value of the preferred stock and was recorded within operating expenses in the condensed consolidated statements of operations and cash flows from operating activities in the condensed consolidated statements of cash flows.

15. COMMITMENTS AND CONTINGENCIES

Litigation

We are 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.

Leases

The Company has entered into various operating lease obligations. See *Note 5 - Leases* for additional information.

Outstanding Debt

The Company has debt and other financing arrangements. See *Note 6 - Debt and other financing arrangements* for additional information.

Purchase Commitments

As of March 31, 2024, the Company had no material firm purchase commitments over the next year.

16. 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 Cost of subscription and transaction fees for the three and nine months ended March 31, 2024 for these arrangements was $0.1 million and $0.2 million, respectively. The total expense recognized within Cost of subscription and transaction fees for the three and nine months ended March 31, 2023 for these arrangements was $0.1 million and $0.2 million respectively.

17. SUBSEQUENT EVENTS

On April 11, 2024, the Company agreed to a net settlement of approximately $1.5 million with a third party insurance carrier related to the reimbursement of expenses associated with the closed SEC investigation of the Company's accounting practices from fiscal years 2017 and 2018. The settlement will be recognized as a gain in the Company's consolidated financial statements in the fourth quarter.

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 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, rising interest rates, financial institution disruptions, 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 the Amended JPMorgan Credit Facility;
- our ability to raise funds in the future through sales of securities or debt financing in order to sustain operations in the normal course of business or if an unexpected or unusual event were to occur;
- our ability to maintain compliance with rules and regulations applicable to our business operations and industry
- disruptions in or inefficiencies to our supply chain and/or operations;
- the risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, packaging and transportation;
- weather, climate conditions, natural disasters or other unexpected events;
- whether our current or future customers purchase, lease, rent or utilize our devices, software solutions or our other products in the future at levels currently anticipated;
- whether our customers continue to utilize the Company's transaction processing and related services, as our customer agreements are generally cancellable by the customer on thirty to sixty 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, Latin America and other foreign markets, including general economic conditions, policy changes affecting international trade, 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 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;
- our ability to operate without infringing the intellectual property rights of others;
- the ability of our products and services to avoid disruptions to our systems or unauthorized hacking or credit card fraud;
- geopolitical conflicts, such as the ongoing conflict between Russia and Ukraine, and the conflict between Israel and Hamas;
- whether we are able to fully remediate our material weaknesses in our internal controls over financial reporting or continue to experience material weaknesses in our internal controls over financial reporting in the future, and are not able to accurately or timely report our financial condition or results of operations;
- the ability to remain in compliance with the continued listing standards of the Nasdaq Global Select Market ("Nasdaq") and continue to remain as a member of the US Small-Cap Russell 2000®;
- whether our suppliers would increase their prices, reduce their output or change their terms of sale; and
- the risks associated with cyber attacks and data breaches.

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 on Form 10-K for the fiscal year ended June 30, 2023 ("2023 Form 10-K"). 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 Form 10-Q speaks only as of the date of this Form 10-Q. 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 Form 10-Q or to reflect the occurrence of unanticipated events.

OVERVIEW OF THE COMPANY

Cantaloupe, Inc. is a global technology leader powering self-service commerce. With over a million active locations across the globe processing more than a billion transactions every year, Cantaloupe is enabling businesses of all sizes to provide self-service experiences for consumers. The company's vertically integrated solutions fuel growth by offering micro-payments processing, enterprise cloud software, IoT technology, as well as kiosk and POS innovations. Cantaloupe's end-to-end platform increases consumer engagement and sales revenue through digital payments, consumer promotions and loyalty programs, while providing business owners increased profitability by leveraging software to drive efficiencies across an entire operation. Cantaloupe's solutions are used by a wide variety of consumer services in North America, Europe, Latin America, and Australia including vending machines, micro markets and smart retail, laundromats, metered parking terminals, amusement and entertainment venues, IoT services and more.

The Company's fiscal year ends June 30. The Company generates revenues in multiple ways. During the three months ended March 31, 2024 and March 31, 2023, we derived approximately 87% and 85%, respectively, from subscription and transaction fees, and 13% and 15%, respectively, from equipment sales. During the nine months ended March 31, 2024 and
March 31, 2023, we derived approximately 87% and 82%, respectively, from subscription and transaction fees and 13% and 18%, 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, through an unrelated equipment financing company, if available, or directly from the Company; 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, 2024 are below:

- Approximately 30,670 Active Customers (as defined below) and 1.22 million Active Devices on our service;
- Revenues of $67.9 million, an increase of 12.5% year over year. The increase was led by higher transaction fees and subscription fees revenue;
- We announced the acquisition of CHEQ Lifestyle Technology, Inc ("CHEQ"). This acquisition offers a portfolio of POS solutions that include both register and self-service kiosk ordering, handheld devices for taking payments on-the-go, and mobile app ordering for pick-up or in-seat delivery – serving the sports stadium, entertainment venues and festival industries;
- We held our annual user conference, Cantaloupe University, in Las Vegas, NV, where we had 240+ attendees join us in viewing some of the latest technologies by Cantaloupe as well as getting access to 2 days of training and education around our entire platform and suite of products;
- We partnered with Turbo Air and Imbera at Expo Antad, in Guadalajara, MX, to showcase our solutions for the Mexico market which include our cashless device the P30, the Seed platform, micro market technology and our smart coolers with age verification;

As of March 31, 2024, we have approximately 300 full-time employees in the United States, United Kingdom, and Mexico and offices in Malvern, Pennsylvania; Atlanta, Georgia; River Falls, Wisconsin; Seattle, Washington; Birmingham, 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 Form 10-Q.

Selected Operating Metrics

We use certain operating metrics (Active Devices, Active Customers, Total Number of Transactions and Total Dollar Volume, Average Revenue Per Unit) and certain non-GAAP financial measures (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 measure.

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. 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 new customer strategy 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.

Adjusted EBITDA (non-GAAP)

The Company defines Adjusted EBITDA (non-GAAP) as U.S. GAAP net income (loss) before (i) interest income from cash and leases, (ii) interest (income) expense from debt and tax liabilities, (iii) income tax provision, (iv) depreciation, (v) amortization, (vi) stock-based compensation expense, (vii) fees and charges, net of reimbursement from insurance proceeds, that were incurred in connection with the 2019 Investigation and financial statement restatement activities as well as proxy solicitation costs that are not indicative of our core operations, (viii) certain other significant infrequent or unusual losses and gains that are not indicative of our core operations such as integration and acquisition expenses, and (ix) severance expenses that are non-recurring and are not indicative of our core operations.

The following table represents our selected operating metrics for the periods indicated:

Table of Contents

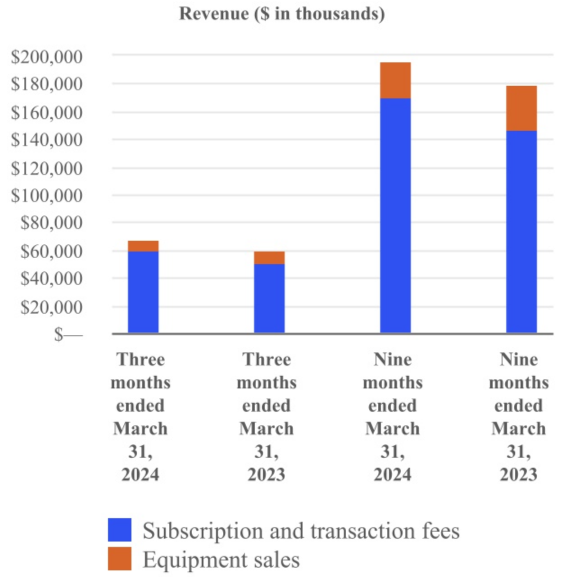
	As of and for the three months ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Devices:					
Active Devices (thousands)	1,217	1,226	1,192	1,168	1,150
Customers:					
Active Customers	30,670	30,027	29,670	28,584	27,598
Volumes:					
Total Number of Transactions (millions)	283.3	286.7	283.6	278.6	267.8
Total Dollar Volume of Transactions (millions)	767.4	730.1	724.8	703.5	653.6
Subscription and transaction fees - Trailing 12 months (thousands)	$ 223,342	$ 215,380	$ 208,283	$ 200,223	$ 192,147
Average revenue per unit (ARPU)	$ 186.00	$ 181.91	$ 178.78	$ 173.39	$ 167.52

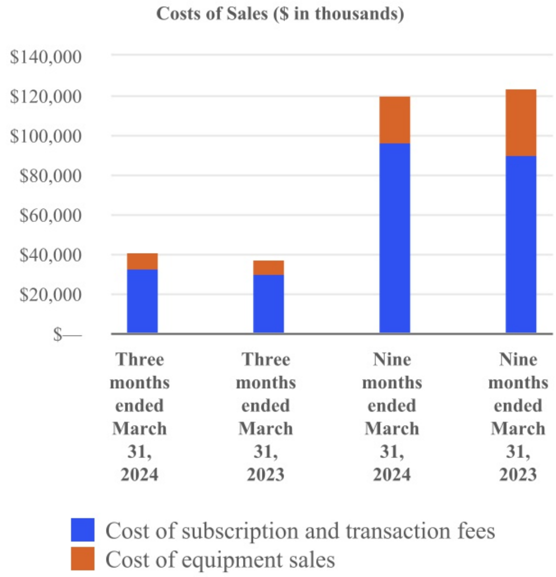
Highlights for the quarter ended March 31, 2024 include:

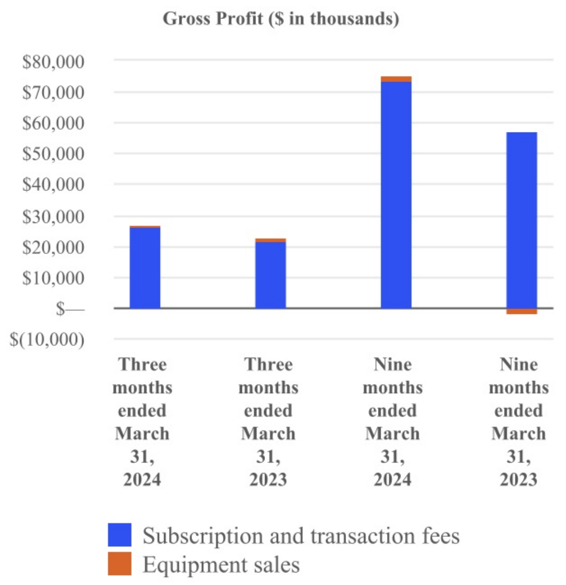
- 1.22 million Active Devices compared to the same quarter last year of 1.15 million, an increase of approximately 67 thousand Active Devices, or 5.9%;
- 30,670 Active Customers on our service compared to the same quarter last year of 27,598, an increase of 3,072 Active Customers, or 11.1%; and
- $767.4 million in Total Dollar Volume of Transactions for the quarter ended March 31, 2024 compared to $653.6 million for the quarter ended March 31, 2023, an increase of $113.8 million, or 17.4%. See "Revenues and Gross Margin" in Management's Discussion and Analysis of Financial Condition and Results of Operations below for additional information.

FINANCIAL PERFORMANCE

The following tables summarize our results of operations and significant changes in our financial performance for the periods presented:






Gross Profit ($ in thousands)
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$—
$(10,000)
Three months ended March 31, 2024
Three months ended March 31, 2023
Nine months ended March 31, 2024
Nine months ended March 31, 2023
Subscription and transaction fees
Equipment sales

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

	Three months ended March 31,		Change	
($ in thousands)	**2024**	**2023**	**Amount**	**Percentage**
Revenues:				
Subscription and transaction fees	$ 59,207	$ 51,245	$ 7,962	15.5 %
Equipment sales	8,690	9,111	(421)	(4.6)%
Total revenues	67,897	60,356	7,541	12.5 %
Costs of sales:				
Cost of subscription and transaction fees	32,926	29,577	3,349	11.3 %
Cost of equipment sales	8,064	7,886	178	2.3 %
Total costs of sales	40,990	37,463	3,527	9.4 %
Gross profit:				
Subscription and transaction fees	26,281	21,668	4,613	21.3 %
Equipment sales	626	1,225	(599)	48.9 %
Total gross profit	$ 26,907	$ 22,893	$ 4,014	17.5 %
Gross margin:				
Subscription and transaction fees	44.4 %	42.3 %		
Equipment sales	7.2 %	13.4 %		
Total gross margin	39.6 %	37.9 %		

Revenues. Total revenues increased by $7.5 million for the three months ended March 31, 2024 compared to the same period in 2023. The increase in revenues is attributed to a $8.0 million increase in subscription and transaction fees, partially offset by a $0.4 million decrease in equipment sales.

The increase in subscription and transaction fees was primarily driven by increased processing volumes with an approximately 17.4% increase in total dollar volumes of transactions for the current fiscal year quarter relative to the prior year quarter. There was an increase in the average revenue per unit and an increase in the total number of active devices relative to the same period in the prior year. Our subscription fees have increased 7.4% for the three months ended March 31, 2024 compared to the same period in 2023 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.

The decrease in equipment sales in the current fiscal year quarter was due to the prior year still benefiting from the required upgrade to 4G compatible devices. Our equipment margin decreased during the current year quarter primarily driven by increased freight and supply chain costs associated with the anticipated ramp in international sales.

Costs of sales. Costs of sales increased $3.5 million for the three months ended March 31, 2024 compared to the prior year period. The increase in costs of sales was primarily due to a $3.3 million increase in subscription and transaction costs as a direct result of increased transaction processing fees corresponding with an increase in processing volumes.

Gross margin. Total gross margin increased to 39.6% for the three months ended March 31, 2024 from 37.9% for the three months ended March 31, 2023. The increase was primarily a result of an increase in subscription and transaction fees which yield higher margins compared to equipment fees.

Operating Expenses

Category ($ in thousands)	Three months ended March 31, 2024	2023	Change Amount	Percentage
Sales and marketing	$ 5,747	$ 3,154	$ 2,593	82.2 %
Technology and product development	4,916	4,594	322	7.0 %
General and administrative expenses	8,552	7,041	1,511	21.5 %
Investigation, proxy solicitation and restatement expenses, net of insurance recoveries	—	(1,000)	1,000	(100.0)%
Integration and acquisition expenses	907	—	907	100.0 %
Depreciation and amortization	2,493	2,364	129	5.5 %
Total operating expenses	$ 22,615	$ 16,153	$ 6,462	40.0 %

Total operating expenses. Operating expenses increased 40.0% for the three months ended March 31, 2024 compared to the same period in 2023. This is largely driven by increased operating expenses related to the Cheq acquisition and professional service fees related to SOX remediation work. Additionally, prior year had a net $1 million benefit related to insurance proceeds and expenses incurred in connection with the 2019 Investigation. See further details on individual categories below.

Sales and marketing. Sales and marketing expenses increased approximately $2.6 million for the three months ended March 31, 2024 compared to the same period in 2023 due to increased compensation costs of approximately $1.3 million, and increased infrastructure, travel and entertainment costs of approximately $0.7 million to support our expanding business and service offerings in the United States and internationally. Additionally, marketing expense increased $0.6 million related to international expansion and the acquisition of Cheq.

Technology and product development. Technology and product development expenses increased by $0.3 million for the three months ended March 31, 2024. The increase in the current year was driven by increased headcount partially offset by lower expensed personnel costs as we continued to invest in internal-use software which resulted in higher capitalized costs compared to the prior year.

General and administrative expenses. General and administrative expenses increased by $1.5 million for the three months ended March 31, 2024 compared to the same period in 2023 primarily due to a $1.3 million increase in connection with non-recurring project work related to remediating previously identified material weaknesses in our internal controls over financial reporting, $0.6 million increase in bad debt expense, and a $0.4 million increase in compensation related expenses; partially offset by a reduction of $0.5 million to our sales tax liability and $0.2 million in other administrative expenses compared to the same period in the prior year.

Integration and acquisition expenses. On February 1, 2024, the Company acquired all of the equity interests of Cheq Lifestyle Technology, Inc. ("Cheq"). 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 from Cheq predecessors. The Company did not incur integration and acquisition expenses during the three month period ended March 31, 2023.

Depreciation and amortization. Depreciation and amortization expenses increased $0.1 million for the three months ended March 31, 2024 compared to the same period in 2023. The increase was primarily driven by the amortization of intangible assets associated with the acquisition of 32M in December 2022.

Other Income, Net

($ in thousands)	Three months ended March 31, 2024	2023	Change Amount	Percentage
Other income (expense):				
Interest income from cash and leases	$ 495	$ 540	$ (45)	(8.3)%
Interest income (expense) from debt and tax liabilities	162	(263)	425	161.6 %
Other (expense), net	(209)	(13)	(196)	(1,507.7)%
Total other income, net	$ 448	$ 264	$ 184	(69.7)%

Other income, net. Other income increased $0.2 million for the three months ended March 31, 2024 as compared to the same period in 2023. Our interest expense from debt and tax liabilities decreased $0.4 million primarily due to the reduction of the interest component of the sales tax liability offset by incurred interest expense related to our outstanding debt balances. Decrease in interest income from cash and leases is primarily due to lower outstanding balances for our finance receivables. Other expense, net increased primarily due to foreign currency transaction losses.

Nine Months Ended March 31, 2024 Compared to Nine Months Ended March 31, 2023

($ in thousands)	Nine months ended March 31, 2024	Nine months ended March 31, 2023	Change Amount	Change Percent
Revenues:				
Subscription and transaction fees	$ 170,371	$ 147,252	$ 23,119	15.7 %
Equipment sales	25,568	32,216	(6,648)	(20.6)%
Total revenues	195,939	179,468	16,471	9.2 %
Costs of sales:				
Cost of subscription and transaction fees	96,539	90,149	6,390	7.1 %
Cost of equipment sales	23,849	33,823	(9,974)	(29.5)%
Total costs of sales	120,388	123,972	(3,584)	(2.9)%
Gross profit:				
Subscription and transaction fees	73,832	57,103	16,729	29.3 %
Equipment sales	1,719	(1,607)	3,326	(207.0)%
Total gross profit	$ 75,551	$ 55,496	$ 20,055	36.1 %
Gross margin:				
Subscription and transaction fees	43.3 %	38.8 %		
Equipment sales	6.7 %	(5.0)%		
Total gross margin	38.6 %	30.9 %		

Revenues. Total revenues increased by $16.5 million for the nine months ended March 31, 2024 compared to the same period in 2023. The increase in revenues was attributed to a $23.1 million increase in subscription and transaction fees, and a $6.6 million decrease in equipment sales.

The increase in subscription and transaction fees was primarily driven by increased processing volumes, with an approximately 14% increase in total dollar volumes for the nine months ended March 31, 2024 compared to the same period in 2023. Our transaction fees increased $17.9 million, or 18.4%, due to an increase in the average price per transaction and total number of transactions relative to the same period in the prior year. Our subscription fees increased approximately $5.2 million, or 10.4% for the nine months ended March 31, 2024 compared to the same period in 2023 which was attributed to a continued focus of management to grow our recurring subscription services, the successful expansion of the Cantaloupe One program to our customer base, and the acquisition of 32M.

The decrease in equipment sales in the current fiscal year period was primarily driven by decreased equipment shipments compared to the prior year fiscal period. In the prior year, our customers continued upgrading their devices to ensure compatibility with the emerging 4G network, resulting in a surge in equipment shipments. As of December 31, 2022, the 3G to 4G network upgrade has been fully completed in the U.S. market.

Costs of sales. Costs of sales decreased $3.6 million for the nine months ended March 31, 2024 compared to the same period in 2023. The decrease was driven by a $10.0 million decrease in equipment costs partially offset by an increase of $6.4 million in subscription and transaction costs.

The decrease in costs of sales for equipment was primarily driven by decreased equipment sales. The increased demand in the first half of the prior fiscal year was related to our customers upgrading their payment devices in anticipation of the 3G network discontinuation events described above (See 3G Network discontinuation and upgrade cycle section).

The increase in subscription and transaction costs was primarily driven by an increase in transaction processing fees corresponding with an increase in processing volumes and total dollar volume of transactions.

Gross margin. Total gross margin increased to 38.6% for the nine months ended March 31, 2024 from 30.9% for the nine months ended March 31, 2023. The increase was primarily driven by improved gross margin on equipment sales. The prior year period experienced inflated cost within our supply chain due to unfavorable prices paid to secure certain key component parts to meet production and delivery timelines caused by a greater than anticipated surge in the demand for our ePort hardware products. The increased demand in the first half of fiscal year 2023 was related to our customers upgrading their payment devices in anticipation of the 3G to 4G network upgrade. This resulted in a negative 5% gross margin on equipment sales for the nine months ending March 31, 2023. Additionally, we had an increase in subscription and transaction fees which yield higher margins compared to equipment fees.

Operating Expenses

	Nine months ended March 31,		Change	
Category ($ in thousands)	**2024**	**2023**	**Amount**	**Percentage**
Sales and marketing	$ 14,256	$ 8,888	5,368	60.4 %
Technology and product development	12,115	16,757	(4,642)	(27.7)%
General and administrative expenses	29,493	25,179	4,314	17.1 %
Investigation, proxy solicitation and restatement expenses	—	(453)	453	(100.0)%
Integration and acquisition expenses	1,078	2,787	(1,709)	(61.3)%
Depreciation and amortization	7,976	5,029	2,947	58.6 %
Total operating expenses	$ 64,918	$ 58,187	$ 6,731	11.6 %

Total operating expenses. Operating expenses increased approximately $6.7 million for the nine months ended March 31, 2024 compared to the same period in 2023. The increase was attributed to a $5.4 million increase in sales and marketing expenses, a $4.3 million increase in general and administrative expenses, a $2.9 million increase in depreciation and amortization, partially offset by a $4.6 million decrease in technology and product development expenses. See further details on individual categories below.

Sales and marketing. Sales and marketing expenses increased approximately $5.4 million for the nine months ended March 31, 2024 compared to the same period in 2023 primarily due to higher sales and marketing employee headcount in the current year to support our expanding business in the United States and internationally, in addition to the execution of several marketing campaigns to introduce new product and service offerings leading to increased customer engagement.

Technology and product development. Technology and product development decreased $4.6 million for the nine months ended March 31, 2024 compared to the same period in 2023. The decrease was driven by $2.6 million decrease in professional services related to expenses incurred in the prior year upgrading our network environment and platform. Decrease is also a result of $1 million in lower personnel costs as we continued to invest in internal-use software which resulted in higher capitalized costs compared to the prior year.

General and administrative expenses. General and administrative expenses increased approximately $4.3 million for the nine months ended March 31, 2024, as compared to the same period in 2023. The increase in general and administrative expenses was primarily driven by a $3.8 million increase in personnel compensation cost as a result of our growing business, $1.7 million related to professional services related to remediating previously identified material weaknesses in our internal controls over financial reporting; partially offset by a $0.7 million decrease in administrative expenses and a $0.4 million reduction to our sales tax reserve compared to the same period in the prior year.

Integration and acquisition. On February 1, 2024, the Company acquired Cheq Lifestyle Technology, Inc for $4.8 million in cash. During the nine months ended March 31, 2024, the Company incurred expenses of $1.0 million associated with both the closing of the acquisition and the initial integration of CHEQ operations. During the nine months ended March 31, 2023, the Company acquired Three Square Market Inc pursuant to the Purchase Agreement and incurred $2.8 million from accounting, legal and investing banking advisors related to the completion of the acquisition and post-acquisition integration.

Depreciation and amortization. During the nine months ended March 31, 2024, the Company had an increase in depreciation and amortization costs of $2.9 million compared to the same period in the prior year due to the acquisition of 32M in December 2022, increased depreciation from our Cantaloupe One program, and increased depreciation for our growing Internal-use software as various projects and initiatives are implemented. Our increase in internal-use software is attributable to management's focus on developing innovative technologies to further strengthen our network environment and platform.

Other Income (Expense), Net

	Nine months ended March 31,		Change	
($ in thousands)	**2024**	**2023**	**Amount**	**Percentage**
Other income (expense):				
Interest income from cash and leases	$ 1,505	$ 1,985	(480)	(24.2)%
Interest income (expense) from debt and tax liabilities	(1,947)	(1,258)	(689)	54.8 %
Other (expense), net	(158)	(112)	(46)	41.1 %
Total other income (expense), net	$ (600)	$ 615	(1,215)	(197.6)%

Other income (expense), net. Other income (expense), net decreased $1.2 million for the nine months ended March 31, 2024 as compared to the same period in 2023 primarily driven by an increase in interest expense from debt and tax liabilities of $0.7 million due to the higher outstanding debt balance in the current year and a decrease in interest income of approximately $0.5 million due to lower outstanding balances on finance receivables.

Non-GAAP Financial Measures

We use certain financial measures internally to evaluate our performance and make financial and operational decisions that are presented in a manner that adjusts from their equivalent GAAP measures or that supplement the information provided by our GAAP measures. We use these adjusted results because we believe they more clearly highlight trends in our business that may not otherwise be apparent when relying solely on GAAP financial measures, since these measures eliminate from our results specific financial items that have less bearing on our core operating performance.

We use these measures in communicating certain aspects of our results and performance, including in this Quarterly Report, and believe that these measures, when viewed in conjunction with our GAAP results and the accompanying reconciliations, can provide investors with greater transparency and a greater understanding of factors affecting our financial condition and results of operations than GAAP measures alone. In addition, we believe the presentation of these measures is useful to investors for making period-to-period comparisons of results because the adjustments to GAAP are not reflective of our core business performance. Furthermore, certain measures are utilized as metrics in our executive offer and management incentive compensation plans.

These financial measures are not presented in accordance with, or as an alternative to, GAAP financial measures and may be different from non-GAAP measures used by other companies. We encourage investors to review the GAAP financial measures included in this Quarterly Report, including our condensed consolidated financial statements, to aid in their analysis and understanding of our performance and in making comparisons.

Adjusted EBITDA (Non-GAAP)

Adjusted earnings before income taxes, depreciation, and amortization ("Adjusted EBITDA") is a non-GAAP financial measure which is not required by or defined under GAAP. We define Adjusted EBITDA as U.S. GAAP net income (loss) before (i) interest income from cash and leases, (ii) interest (income) expense on debt and tax liabilities, (iii) income tax provision, (iv) depreciation, (v) amortization, (vi) stock-based compensation expense, (vii) fees and charges, net of reimbursement from insurance proceeds, that were incurred in connection with the 2019 Investigation and financial statement restatement activities as well as proxy solicitation costs that are not indicative of our core operations, (viii) certain other significant infrequent or unusual losses and gains that are not indicative of our core operations such as integration and acquisition expenses, and (ix) severance expenses that are non-recurring and are not indicative of our core operations.

Below is a reconciliation of U.S. GAAP net income (loss) to Adjusted EBITDA (non-GAAP):

($ in thousands)	Three months ended March 31, 2024	Three months ended March 31, 2023	Nine months ended March 31, 2024	Nine months ended March 31, 2023
U.S. GAAP net income (loss)	$ 4,656	$ 6,948	$ 9,787	$ (2,199)
Less: interest income from cash and leases	(495)	(540)	(1,505)	(1,985)
Plus: interest (income) expense from debt and tax liabilities	(162)	263	1,947	1,258
Plus: income tax provision	84	56	246	123
Plus: depreciation included in cost of subscription and transaction fees for rental equipment	415	297	1,137	852
Plus: depreciation and amortization in operating expenses	2,493	2,364	7,976	5,029
EBITDA	6,991	9,388	19,588	3,078
Plus: stock-based compensation (1)	1,004	1,410	4,047	2,889
Plus: integration and acquisition expenses (2)	907	—	1,078	2,787
Plus: remediation expenses (3)	1,258	—	1,755	—
Plus: investigation, proxy solicitation and restatement expenses, net of insurance recoveries (4)	—	(1,000)	—	(453)
Plus: severance expenses (5)	26	273	26	273
Adjustments to EBITDA	3,195	683	6,906	5,496
Adjusted EBITDA (non-GAAP)	$ 10,186	$ 10,071	$ 26,494	$ 8,574

(1) As an adjustment to EBITDA, we have excluded stock-based compensation, as it does not reflect our cash-based operations.
(2) As an adjustment to EBITDA, we have excluded expenses incurred in connection with business acquisitions as it does not represent recurring costs or charges related to our core operations.
(3) As an adjustment to EBITDA, we have excluded expense incurred in connection with non-recurring work related to remediating previously identified material weaknesses in our internal control over financial reporting.
(4) As an adjustment to EBITDA, we have excluded the costs and corresponding reimbursements related to the 2019 Investigation, because we believe that they represent charges that are not related to our core operations.
(5) As an adjustment to EBITDA, we have excluded expenses incurred in connection with severance related charges.

LIQUIDITY AND CAPITAL RESOURCES

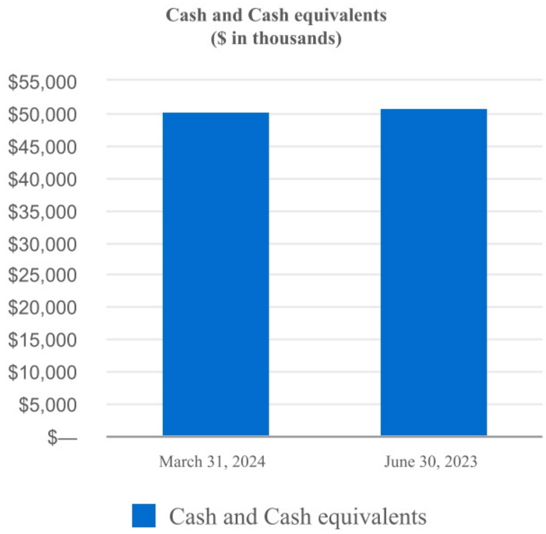
Sources and Uses of Cash

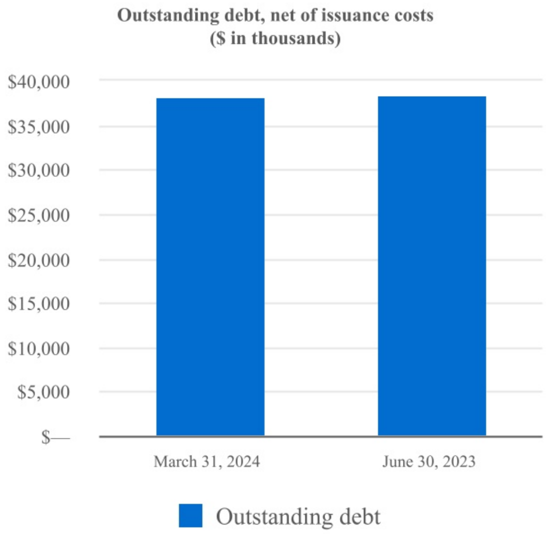
Historically, we have financed our operations primarily through cash from operating activities, debt financings, and equity issuances. The Company's primary sources of capital available are cash and cash equivalents on hand of $50.2 million as of March 31, 2024 and the cash that we expect to be provided by operating activities by the Company.

The Company also has estimated and recorded for potential sales tax and related interest and penalty liabilities of $10.8 million in the aggregate as of March 31, 2024. The Company continues to evaluate these liabilities and the amount and timing of any such payments.

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, focusing on various operational efficiencies to improve overall profitability of the business and continued to grow our business both domestically and internationally.

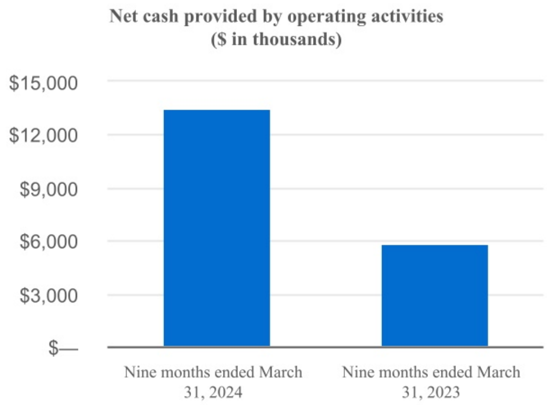
Below are charts that reflect our cash liquidity and outstanding debt as of March 31, 2024 and June 30, 2023:





Cash Flows

See Condensed Consolidated Statement of Cash Flows in Part I, Item 1 of this Quarterly Report for details on the changes in cash and cash equivalents classified by operating, investing and financing activities during our respective reporting periods.



Net cash used in operating activities

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 of accounts receivable and an increase in accounts payable and accrued expenses of $8.5 million in the period. Increase in cash utilized by accounts receivable was a result of increased sales during the nine months ended March 31, 2024 compared to the prior year period as well as the timing of the cash receipts compared to the prior year period.

For the nine months ended March 31, 2023, net cash used in operating activities was $5.8 million, which reflected our net loss of $2.2 million adjusted by $10.7 million in non-cash operating charges and $2.7 million of cash utilized by working capital accounts. The change in working capital accounts is primarily driven by cash used of $8.2 million to increase our inventory on hand and a decrease of accounts receivable of $9.6 million in the period. Increase in inventory was driven by increased equipment sales as well as strategic planning to mitigate potential supply chain disruptions. Increase in cash provided by accounts receivable was a result of increased sales during the nine months ended March 31, 2023 compared to the prior year period as well as the timing of the cash receipts compared to the prior year period.

Non-cash operating charges primarily consisted of stock-based compensation, depreciation of property and equipment, amortization of our intangible assets, and provisions for expected losses for the nine months ended March 31, 2024 and 2023.

Net cash used in investing activities

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 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 $4.8 million through its CHEQ acquisition.

Net cash used in investing activities was $48.5 million for the nine months ended March 31, 2023. Increase in cash used is due to the cash paid for the 32M acquisition of $35.9 million and $12.6 million for increased property and equipment balances driven primarily by the Company's continued focus on investing in technologies and products and increasing rental devices enrolled in the Company's Cantaloupe one program.

Net cash provided by financing activities

Net cash used in financing activities was $0.3 million for the nine months ended March 31, 2024, which is primarily driven by debt repayments on the JPMorgan Credit Facility.

Net cash provided of financing activities was $21.3 million for the nine months ended March 31, 2023 which was primarily due to the borrowing of $25 million from our Credit Facility to fund a portion of the cash consideration for the 32M acquisition offset by $2.2 million to repurchase our series A Convertible Stock and a $1 million payment for contingent consideration relating to the Yoke acquisition.

CONTRACTUAL OBLIGATIONS

During the nine months ended March 31, 2024, 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 on Form 10-K for the fiscal year ended June 30, 2023.

CRITICAL ACCOUNTING ESTIMATES

There have been no material changes to our critical accounting estimates from those disclosed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

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, 2024, we are exposed to market risk related to changes in interest rates on our outstanding borrowings. Our Amended JPMorgan Credit Facility has a four-year maturity. Interest on the Amended JPMorgan Credit Facility will be 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. As of March 31, 2024, we have $38.2 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. 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, 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 not effective as of March 31, 2024, as a result of the material weaknesses in our internal control over financial reporting, which are described in Item 9A. of our 2023 Form 10-K.

(b) Changes in Internal Control over Financial Reporting

Other than the remediation plan disclosed in Item 9A. of our 2023 Form 10-K, there have been no changes in the Company’s internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

We are in the process of executing remediation activities to alleviate the material weaknesses identified in the remediation plan disclosed in Item 9A. of our 2023 Form 10-K. The Company hired a public accounting firm to assist with the remediation efforts. As part of the remediation work performed specifically in the third quarter of fiscal year 2024, the Company implemented a series of control enhancements to remediate the material weaknesses for both business process and IT general controls. As of the filing date of our third quarter 2024 Form 10Q, the remediation of the prior year material weaknesses and overall operating effectiveness of our control environment remains subject to evaluation. The material weaknesses cannot be considered remediated until the related controls have operated for a sufficient period of time and until management has concluded, through testing, that the controls are operating effectively.

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 15 – Commitments and Contingencies* in Part I, Item 1, of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

For a discussion of the Company's risk factors, see the information under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

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

N/A

Item 3. Defaults Upon Senior Securities

There were no defaults on any senior securities. The total liquidation preference including accrued and unpaid dividends on our Series A Convertible Preferred Stock as of March 31, 2024 was $22.7 million. The dividend accrual dates for our Preferred Stock are February 1 and August 1. The annual cumulative dividend on our Preferred Stock is $1.50 per share.

Item 4. Mine Safety Disclosures

N/A

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the fiscal quarter ended March 31, 2024, 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)
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, 2024, filed with the SEC on May 9, 2024, is formatted in Inline Extensible Business Reporting Language ("iXBRL"): (1) the Condensed Consolidated Balance Sheets as of March 31, 2024 and June 30, 2023, (2) the Condensed Consolidated Statements of Operations for the three-month and nine-month periods ended March 31, 2024 and 2023, (3) the Condensed Consolidated Statements of Other Comprehensive Income (Loss) for the three-month and nine-month periods ended March 31, 2024 and 2023, (4) the Condensed Consolidated Statements of Convertible Preferred Stock and Shareholders' Equity for the three-month and nine-month periods ended March 31, 2024 and 2023, (5) the Condensed Consolidated Statements of Cash Flows for the nine-month periods ended March 31, 2024 and 2023, 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, 2024, filed with the SEC on May 9, 2024, is formatted as Inline iXBRL 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 9, 2024	/s/ Ravi Venkatesan
	Ravi Venkatesan Chief Executive Officer
Date: May 9, 2024	/s/ Scott Stewart
	Scott Stewart Chief Financial Officer

Exhibit 31.1

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 9, 2024

/s/ Ravi Venkatesan
Ravi Venkatesan
Chief Executive Officer

Exhibit 31.2

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 9, 2024

/s/ Scott Stewart
Scott Stewart
Chief Financial Officer

Exhibit 32.1

**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, 2024 (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 9, 2024

/s/ Ravi Venkatesan
Ravi Venkatesan
Chief Executive Officer

Exhibit 32.2

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, 2024 (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 9, 2024

/s/ Scott Stewart
Scott Stewart
Chief Financial Officer