

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): November 14, 2018

USA TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania

001-33365

232679963

(State or other jurisdiction of incorporation or
organization)

(Commission File Number)

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

100 Deerfield Lane, Suite 300
Malvern, Pennsylvania 19355
(Address of principal executive offices and zip code)

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

n/a

Former name or former address, if changed since last report

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 1.01. Entry into a Material Definitive Agreement.

On November 15, 2018, USA Technologies, Inc. (the “Company”), entered into a new consent letter (the “New Consent Agreement”) relating to the Company’s existing Credit Agreement dated November 9, 2017 (“Credit Agreement”) by and among the Company, as the borrower, its subsidiaries, as guarantors, and JPMorgan Chase Bank, N.A., as the lender and administrative agent for the lender (the “Lender”). The New Consent Agreement, among other things, extends until December 31, 2018 the time period for delivery to the Lender of the Company’s audited financial statements for the fiscal year ended June 30, 2018 and the unaudited financial statements for the fiscal quarter ended September 30, 2018, and the related compliance certificates required pursuant to the Credit Agreement. The New Consent Agreement also requires the Company to deliver to the Lender a nonrefundable extension fee of \$52,800.

The first consent letter previously entered into by the Company and the Lender on September 28, 2018, had, among other things, extended until November 15, 2018 the time period for delivery to the Lender of the Company’s audited financial statements for the fiscal year ended June 30, 2018, and the related compliance certificate.

The foregoing description of the New Consent Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the New Consent Agreement, a copy of which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On November 14, 2018, the Company received a notice (the “Notice”) from The Nasdaq Stock Market LLC (“Nasdaq”) stating that because the Company had not yet filed its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2018 (the “Quarterly Report”), the Company was not in compliance with Nasdaq Listing Rule 5250(c)(1) (the “Rule”). The Rule requires listed companies to timely file all required periodic financial reports with the Securities and Exchange Commission (the “SEC”).

As previously reported, on October 2, 2018, the Company received a notice (the “Original Notice”) from Nasdaq stating that the Company was not in compliance with the Rule because the Company had not timely filed its Annual Report on Form 10-K for the fiscal year ended June 30, 2018 (the “Annual Report”). Pursuant to the Original Notice, the Company submitted to Nasdaq a plan to regain compliance (the “Plan”), and Nasdaq accepted the Plan and granted an exception pursuant to which the Company is required to file the Annual Report and the Quarterly Report with the SEC on or before March 12, 2019. The Notice also requires the Company to submit to Nasdaq an update to its Plan by no later than December 3, 2018.

On November 20, 2018, the Company issued a press release announcing its receipt of the Notice. A copy of the press release is attached as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

[Exhibit 10.1](#) Consent Agreement by and among the Company, its subsidiaries, and JPMorgan Chase Bank, N.A., dated November 15, 2018

[Exhibit 99.1](#) Press Release of the Company dated November 20, 2018

SIGNATURES

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

USA TECHNOLOGIES, INC.

Dated: November 20, 2018

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

November 15, 2018

USA Technologies, Inc.
100 Deerfield Lane
Suite 300
Malvern, PA 19355
Attention: Priyanka Singh

Re: CONSENT TO EXTENSION

Dear Sir or Madam:

We refer to that certain Credit Agreement, dated as of November 9, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among USA Technologies, Inc., a Pennsylvania corporation (the "Borrower"), the other Loan Parties party thereto (together with the Borrower, the "Loan Parties"), the lenders party thereto from time to time (the "Lenders"), and JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent") for the Lenders. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Credit Agreement.

The Loan Parties have requested that the Administrative Agent consent to an extension of the delivery of the Borrower's audited financial statements for the fiscal year ended June 30, 2018, the unaudited financial statements for the fiscal quarter ended September 30, 2018, and the related compliance certificates required to be delivered pursuant to Section 5.01(a), (b) and (c), as applicable, of the Credit Agreement to December 31, 2018 (collectively, the "Specified Extension").

At your request and subject to the terms and conditions of this letter agreement, the Administrative Agent and the Lenders consent to the Specified Extension. As a condition to such consent, the Loan Parties hereby agree that the Applicable Rate from and after the date of this letter agreement shall be set at Category 1 until the unaudited financial statements and related compliance certificate required to be delivered pursuant to Sections 5.01(b) and (c) with respect to the fiscal quarter ending September 30, 2018, are delivered to the Administrative Agent.

Each of the Loan Parties hereby (a) agrees that no Default or Event of Default exists as of the date hereof, (b) reaffirms all of its obligations and covenants under the Credit Agreement and the other Loan Documents to which it is a party, (c) restates and renews each and every representation and warranty heretofore made by it in the Credit Agreement and the other Loan Documents as fully as if made on the date hereof (except with respect to representations and warranties made as of an expressed date, in which case such representations and warranties shall be true and correct as of such date) and (d) agrees that none of its respective obligations and covenants shall be reduced or limited by the execution and delivery of this letter agreement.

This letter agreement shall not become effective until (a) each of the Loan Parties and the Administrative Agent have executed and delivered this letter agreement to the Administrative Agent, (b) the Loan Parties shall have paid to the Administrative Agent, for the benefit of the Lenders, a non-refundable extension fee of \$52,800.00 in immediately available funds, and (c) the Loan Parties shall have paid (or made arrangements acceptable to the Administrative Agent to pay) all outstanding legal fees of counsel to the Administrative Agent. Except for the consents set forth above, the text of the Credit Agreement and all other Loan Documents shall remain unchanged and in full force and effect. This letter agreement shall not constitute an amendment to or any other provision of the Credit Agreement or any other Loan Document. The Specified Extension is a one-time consent and shall not be construed as an agreement to consent to any future event. No consent by the Administrative Agent or the Lenders under the Credit Agreement or any other Loan Document is granted or intended except as expressly set forth herein. Except as set forth herein, the consents agreed to herein shall not constitute a modification of the Credit Agreement or any of the other Loan Documents, or a course of dealing with the Administrative Agent and the Lenders at variance with the Credit Agreement or any of the other Loan Documents, such as to require further notice by the Administrative Agent or the Lenders to require strict compliance with the terms of the Credit Agreement and the other Loan Documents in the future. This letter agreement shall be a "Loan Document" for all purposes under the Credit Agreement. This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York. This letter agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. Delivery by one or more parties hereto of an executed counterpart of this letter agreement via facsimile, telecopy, or other electronic method of transmission pursuant to which the signature of such party can be seen (including, without limitation, Adobe Corporation's Portable Document Format) shall have the same force and effect as the delivery of an original executed counterpart of this letter agreement. Any party delivering an executed counterpart of this letter agreement by facsimile or other electronic method of transmission shall also deliver an original executed counterpart to the Administrative Agent, but the failure to do so shall not affect the validity, enforceability, or binding effect of this letter agreement.

[remainder of page intentionally left blank; signature pages follow]

BORROWER:

USA TECHNOLOGIES, INC.

By: /s/ Stephen P. Herbert

Name: Stephen P. Herbert

Title: Chairman and Chief Executive Officer

ADMINISTRATIVE AGENT AND SOLE LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/Eleftherios J. Karsos

Name: Eleftherios Karsos

Title: Authorized Officer

CONSENT, REAFFIRMATION, AND AGREEMENT OF GUARANTORS

Each of the undersigned (a) acknowledges receipt of the foregoing consent (the "Agreement"); (b) consents to the execution and delivery of the Agreement; and (c) reaffirms all of its obligations and covenants under the Credit Agreement (as defined in the Agreement) and all of its other obligations under the Loan Documents to which it is a party, and, agrees that none of its obligations and covenants shall be reduced or limited by the execution and delivery of the Agreement or any of the other instruments, agreements or other documents executed and delivered pursuant thereto.

This Consent, Reaffirmation, and Agreement of Guarantors (this "Consent") may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. This Consent may be executed by each party on separate copies, which copies, when combined so as to include the signatures of all parties, shall constitute a single counterpart of the Consent.

As of November 15, 2018

STITCH NETWORKS CORPORATION

By: /s/ Stephen P. Herbert

Name: Stephen P. Herbert

Title: Chairman and Chief Executive Officer

USAT CAPITAL CORP, LLC

By: /s/ Stephen P. Herbert

Name: Stephen P. Herbert

Title: Chairman and Chief Executive Officer

CANTALOUPE SYSTEMS, INC.

By: /s/ Stephen P. Herbert

Name: Stephen P. Herbert

Title: Chairman and Chief Executive Officer

USA Technologies, Inc. Provides Update on Nasdaq Notification of Deficiency

MALVERN, Pa., November 20, 2018 -- USA Technologies, Inc. (NASDAQ: USAT) (the "Company"), a premier digital payment, consumer engagement and logistics service provider for the self-service retail market, today announced that, as expected, it received a notice (the "Notice") from The Nasdaq Stock Market LLC ("Nasdaq") notifying the Company that, as a result of its failure to timely file its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2018 (the "Quarterly Report"), the Company is noncompliant with Nasdaq Listing Rule 5250(c)(1) (the "Rule"). The Rule requires listed companies to timely file all required periodic financial reports with the Securities and Exchange Commission (the "SEC"). The Company had previously received an original notice (the "Original Notice") from Nasdaq of noncompliance with the Rule due to the failure of the Company to timely file its Annual Report on Form 10-K for the fiscal year ended June 30, 2018 (the "Annual Report"). Pursuant to the Original Notice, the Company had submitted to Nasdaq a plan to regain compliance (the "Plan"), and on November 13, 2018, Nasdaq notified the Company that it had accepted the Plan and had granted the Company until March 12, 2019 in order to file the Quarterly Report and the Annual Report with the SEC. The Notice also requires the Company to submit to Nasdaq an update to the Plan by no later than December 3, 2018. Neither the Notice nor the Original Notice has any immediate effect on the listing or trading of the Company's common stock or preferred stock, and the common stock and preferred stock will continue to trade on the Nasdaq Global Market under the symbols "USAT" and "USATP", respectively.

As previously reported, the Company was unable to timely file its Annual Report and Quarterly Report due to an internal investigation being conducted by the Audit Committee of the Company's Board of Directors into certain of the Company's contractual arrangements. The investigation remains ongoing, and the Audit Committee is working closely with its advisors to complete its investigation in as timely a manner as possible. Once the investigation has been completed, the Company plans to file the Annual Report and the Quarterly Report as soon as practicable. The Company will not be in a position to file the Annual Report or the Quarterly Report until the Company and its independent auditor assess the results of the investigation, and the Company implements any remedial actions which may be deemed necessary by the Board of Directors.

About USA Technologies, Inc.

USA Technologies, Inc. is a premier payment technology service provider of integrated cashless and mobile transactions in the self-service retail market. The company also provides a broad line of cashless acceptance technologies including its NFC-ready ePort® G-series, ePort Mobile® for customers on the go, ePort® Interactive, and QuickConnect, an API Web service for developers. Through its acquisition of Cantaloupe Systems, Inc. ("Cantaloupe"), the company also offers logistics, dynamic route scheduling, automated pre-kitting, responsive merchandising, inventory management, warehouse and accounting management solutions. Cantaloupe is a premier provider of cloud and mobile solutions for vending, micro markets, and office coffee services.

Forward-looking Statements:

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: All statements other than statements of historical fact included in this release are forward-looking statements. When used in this release, words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” and similar expressions, as they relate to the Company or its management, identify forward looking statements. Such forward-looking statements are based on the beliefs of the Company’s management, as well as assumptions made by and information currently available to the Company’s management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including but not limited to, uncertainty as to the scope, timing and ultimate findings of the internal investigation; the costs and expenses relating thereto; the impact of the internal investigation on the Company, its management and operations, including potential financial impact on the Company; the risk of litigation or regulatory action arising from the internal investigation and its findings or from the failure to timely file the Annual Report or Quarterly Report; the ability of the Company to regain and maintain compliance with Nasdaq’s continued listing requirements; the timing of the review by, and the conclusions of, the Company’s independent auditor regarding the investigation and its impact on the financial statements; possible default by the Company under its credit facility; the potential identification of control deficiencies, including potential material weaknesses in internal control over financial reporting and the impact of the same; potential reputational damage that the Company may suffer as a result of the matters under investigation; the impact of the pendency of the investigation on the value of the Company’s common and preferred stock; and the risk that the filing of the Annual Report or Quarterly Report will take longer than currently anticipated. Readers are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement made by us speaks only as of the date of this release. Unless required by law, the Company does not undertake to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

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