#### **UNITED STATES**

#### 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

#### September 6, 2023

Date of Report (date of earliest event reported)



#### Cantaloupe, Inc.

(Exact name of registrant as specified in its charter)

<u>Pennsylvania</u> <u>001-33365</u> <u>23-2679963</u>

(State or other jurisdiction of incorporation or organization)

(Commission File Number) (I.R.S. Employer Identification No.)

100 Deerfield Lane Suite 300MalvernPennsylvania19355(Address of Principal Executive Offices)(Zip Code)

(610) 989-0340

Registrant's telephone number, including area code

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 (see General Instruction A.2. below):
☐ 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))

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

Title of each class	Trading Symbol(s)	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 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. 0

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

On September 6, 2023, Cantaloupe, Inc. (the "Company") issued a press release announcing the Company's financial results for the fourth quarter and fiscal year ended June 30, 2023. A copy of this press release is attached hereto as Exhibit 99.1.

The information contained in this Current Report on Form 8-K pursuant to this "Item 2.02 Results of Operations and Financial Condition" is being furnished. This information shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section or shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, unless specifically identified therein as being incorporated by reference.

#### **Item 9.01 Financial Statements and Exhibits**

Exhibit

Number Ex. Description

99.1 Earnings release dated September 6, 2023

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

#### **SIGNATURE**

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 hereunto duly authorized.

Cantaloupe, Inc.

Date: September 6, 2023

By: <u>/s/ Anna Novoseletsky</u>
Anna Novoseletsky, Chief Legal & Compliance Officer and General Counsel

# Cantaloupe, Inc. Reports Fourth Quarter and Fiscal Year 2023 Financial Results

Fourth Quarter 2023 Revenue of \$64.2 million, an 11% Year over Year Increase

Fiscal Year 2023 Revenue of \$243.6 million, a 19% Year over Year Increase

Fiscal Year 2023 U.S. GAAP Net Income of \$0.01 million

Fiscal Year 2023 Adjusted EBITDA of \$17.8 million, an 80% Year over Year Increase

**MALVERN, Pa. -- September 6, 2023 -- Cantaloupe, Inc.** (Nasdaq: CTLP) ("Cantaloupe" or the "Company"), a digital payments and software services company that provides end-to-end technology solutions for self-service commerce, today reported results for the fourth quarter and fiscal year ended June 30, 2023.

"Our fourth quarter results, including a fourfold increase in adjusted EBITDA, capped off a strong year for Cantaloupe. Continued growth in all customer segments, the acquisition and integration of Three Square Market (32M), expansion of our presence in micro markets and the continued adoption of Seed software and subscription products drove exceptional fiscal year results," said Ravi Venkatesan, chief executive officer, Cantaloupe. "At our December analyst day, we set a goal of driving sustained operating leverage. We believe that our 2023 results, as well as our fiscal year 2024 guidance, show that we are well on our way to achieving that goal."

### Fourth Quarter 2023 Key Financial Results:

- Revenue of \$64.2 million, an increase of 11% year over year
  - Transaction fees of \$35.5 million, an increase of 18% year over year
  - Subscription fees of \$17.5 million, an increase of 17% year over year
  - Equipment sales of \$11.2 million, a decrease of 15% year over year
- Total Dollar Volumes of Transactions were \$703.5 million, an increase of 14% year over year
- Transactions totaled 278.6 million at the end of the fourth quarter of 2023, a slight increase compared to 274.6 million at the end of the fourth quarter of 2022
- Gross margin of 40.1% compared with 29.5% in the prior year quarter
  - Subscription and transaction fees margins of 44.2% compared to 39.5% in the prior year quarter
  - Equipment sales margins of 20.8% compared to negative 4.6% in the prior year quarter
- U.S. GAAP Net income applicable to common shares of \$2.8 million, or \$0.04 per share, compared to Net loss applicable to common shares of \$2.1 million, or \$(0.03) per share, in the prior year quarter
- Adjusted EBITDA<sup>[1]</sup> of \$9.2 million compared to \$2.0 million in the prior year quarter

<sup>&</sup>lt;sup>1</sup> Adjusted earnings before income taxes, depreciation, and amortization, stock-based compensation expense, and certain other significant infrequent or unusual losses and gains that are not indicative of our core operations ("Adjusted EBITDA") is a non-GAAP financial measure which is not required by or defined under GAAP. We use this non-GAAP financial measure for financial and operational decision-making purposes and as a means to evaluate period-to-period comparisons. See Reconciliations of Non-GAAP Measures for a reconciliation U.S. GAAP net income to Adjusted EBITDA.

## Fiscal Year 2023 Key Financial Results:

- Revenue of \$243.6 million, an increase of 19% year over year.
  - Transaction fees of \$132.6 million, an increase of 20% year over year
  - Subscription fees of \$67.6 million, an increase of 16% year over year
  - Equipment sales of \$43.4 million, an increase of 19% year over year
- Total Dollar Volumes of Transactions were \$2.6 billion, an increase of 16% year over year
- Transactions totaled 1.1 billion at the end of 2023 compared to 1.0 billion at the end of 2022, an increase of 4%
- Gross margin of 33.3% compared with 31.3% in the prior year
  - Subscription and transaction fees margins of 40.2% compared to 38.8% in the prior year
  - Equipment sales margins of 1.7% compared to negative 3.5% in the prior year
- U.S. GAAP Net income applicable to common shares of \$0.01 million, or \$0.00 per share, compared to Net loss applicable to common shares of \$2.4 million, or \$(0.03) per share, in in the prior year
- Adjusted EBITDA<sup>[1]</sup> of \$17.8 million, compared to \$9.9 million in the prior year

# **Recent Business Highlights:**

- Active Customers totaled 28,584 at the end of the fourth quarter of 2023 compared to 23,991 at the end of the fourth quarter of 2022, an increase of 19%.
- Active Devices totaled 1.17 million at the end of the fourth quarter of 2023 compared to 1.14 million at the end of the fourth quarter of 2022, an increase of 3%.

#### Fiscal Year 2024 Outlook:

For the full fiscal year 2024, the Company expects the following:

- Total Revenue to be between \$275 million and \$285 million
- The combination of Transaction and Subscription revenue to be between \$234 million and \$242 million
- Total U.S. GAAP net income to be between \$9 million and \$15 million
- Adjusted EBITDA<sup>[1]</sup> to be between \$28 million and \$34 million
- Total Operating Cash Flow to be between \$28 million and \$38 million

#### **Webcast and Conference Call:**

Cantaloupe will host a live webcast at 5:00 p.m. Eastern Time today which may be accessed in the Investor Relations section of the Company's website at https://cantaloupeinc.gcs-web.com/events-and-presentations.

Please note that there is a new system to access the live call in order to ask questions. To join the live call, please register here. A dial in and unique PIN will be provided to join the conference call.

A replay of the conference call will also be available in the Investor Relations section of the Company's website.

#### About Cantaloupe, Inc.

Cantaloupe, Inc. is a software and payments company that provides end-to-end technology solutions for self-service commerce. Cantaloupe is transforming the self-service commerce industry by offering one integrated solution for payments processing, logistics, and back-office management. The Company's 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. As a result, customers ranging from vending machine companies, to operators of micro-markets, car charging stations, laundromats, metered parking terminals, kiosks, amusements and more, can run their businesses more proactively, predictably, and competitively. For more information, please visit our website at www.cantaloupe.com.

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

This press release contains discussion of Adjusted EBITDA, a non-GAAP financial measure which is not required or defined under U.S. GAAP (Generally Accepted Accounting Principles). Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. Reconciliations between non-GAAP financial measures and the most comparable GAAP financial measures are set forth below. However, we do not provide forward-looking guidance for certain financial measures on a GAAP basis because we are unable to predict certain items contained in the U.S. measures without unreasonable efforts. These items may include acquisition and integration related costs, severance expenses, litigation charges or settlements, and certain other unusual adjustments.

We use Adjusted EBITDA for financial and operational decision-making purposes and as a means to evaluate period-to-period comparisons. We believe that this non-GAAP financial measure provides useful information about our operating results, enhances the overall understanding of past financial performance and future prospects and allows for greater transparency with respect to metrics used by our management in its financial and operational decision making. The presentation of this financial measure is not intended to be considered in isolation or as a substitute for the financial measures prepared and presented in accordance with GAAP, including our net income or net loss or net cash used in operating activities. Management recognizes that non-GAAP financial measures have limitations in that they do not reflect all of the items associated with our net income or net loss as determined in accordance with GAAP, and are not a substitute for or a measure of our profitability or net earnings. Adjusted EBITDA is presented because we believe it is useful to investors as a measure of comparative operating performance. Additionally, we utilize Adjusted EBITDA as a metric in our executive officer and management incentive compensation plans.

We define Adjusted EBITDA as U.S. GAAP net loss before (i) interest income, (ii) interest expense on debt and sales tax reserves, (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) one-time project expense, one-time severance expenses, and infrequent integration and acquisition expense, and (ix) certain other significant infrequent or unusual losses and gains that are not indicative of our core operations including asset impairment charges, gain on extinguishment of debt.

## **Forward-looking Statements:**

All statements other than statements of historical fact included in this release, including without limitation Cantaloupe's future prospects and performance, the business strategy and the plans and objectives of Cantaloupe's management for future operations, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this release, words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "guidance," "predict," "potential," "continue," "likely," "will," "would" and variations of these terms and similar expressions, or the negative of these terms or similar expressions, as they relate to Cantaloupe or its management, may identify forward-looking statements. Such forward-looking statements are based on the reasonable beliefs of Cantaloupe's management, as well as assumptions made by and information currently available to Cantaloupe'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 general economic, market or business conditions unrelated to our operating performance, including inflation, rising interest rates, financial institution disruptions, public health emergencies such as COVID-19 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; 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 ePort devices, Seed's 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 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 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 serviced or 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 to 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; 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 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; or other risks discussed in Cantaloupe's filings with the U.S. Securities and Exchange Commission, including but not limited to its Annual Report on Form 10-K for the year ended June 30, 2023. Readers are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement made by us in this release speaks only as of the date of this release. Unless required by law, Cantaloupe 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. If Cantaloupe updates one or more forward-looking statements, no inference should be drawn that Cantaloupe will make additional updates with respect to those or other forward-looking statements.

#### **Unaudited Results:**

As the audit of the 2023 Form 10-K is yet to be finalized, the Company's results presented herein are unaudited and represent the most current information available to the Company's management. The unaudited results included herein have been prepared by, and are the responsibility of, the Company's management. The Company's independent registered public accounting firm has not yet expressed an opinion or any other form of assurance with respect to these financial results. The Company's actual results may differ from the results presented in this release due to the completion of the year-end financial closing procedures, review and audit and final adjustments and other developments that may arise between the date of this press release and the time that the Company files its fiscal year Form 10-K with the SEC.

-F--CTLP

#### **Investor Relations:**

ICR, Inc.
CantaloupeIR@icrinc.com

#### Media:

Jenifer Howard | 202-273-4246 jhoward@jhowardpr.com media@cantaloupe.com

# Cantaloupe, Inc. Consolidated Balance Sheets

Section   Sect			As of June 30,				
Current assers         \$ 50,925 \$ 50,825           Cash and cash equivalents         30,102         37,05           Finance receivable, net         31,872         19,75           Inventory, net         31,872         42,82           For lance deceivables, net         31,872         42,82           Inventory, net         31,872         42,82           For lance receivables due after one year, net         13,307         14,72           Froper and equipment, net         25,51         2,73           Poper and equipment, net         25,02         17,90           Goodwill         27,02         14,72           For lance receivables due after one year, met         15,02         14,72           Poper and equipment, net         2,52         12,78           Goodwill         2,52         14,72           Other asserts         5,52         2,37           Intal asserts         5,28         2,55           Intal asserts         5,28         2,55           Education-current asserts         5,28         2,55           Intal asserts         5,28         2,55           Intal asserts         5,28         2,55           Education-current asserts         1,52         2,55 </th <th>(\$ in thousands, except share data)</th> <th></th> <th></th> <th></th> <th>2022</th>	(\$ in thousands, except share data)				2022		
Accounts receivable, net         3.0,22         \$ 3.0,25           Accounts receivable, net         3.0,62         \$ 3.7,59           Inventory, net         3.1,672         \$ 19,75           Prepaid expense         3.754         4.28           Total current assets         12,333         13,536           Non-current assets:         12,333         12,728           Property and equipment, net         25,281         12,78           Operating lease right-of-use assets         27,812         17,94           Goodwill         2,000         66,55           Other assets         2,000         66,55           Oral assets         2,000         66,55           Oberating lease right-of-use assets         2,275         1,23           Operating lease right-of-use assets         2,275         1,23           Other assets         2,275         1,23           Other assets         2,275         1,25           Other assets         2,275         1,25           Total assets         2,275         2,5           Acta assets         2,282         1,25           Acta assets         2,282         1,25           Acta assets         2,292         2,25	Assets						
Accounts receivable, net         31,812         37,68           Finance receivables, net         6,68         6,72           Irventory, net         31,87         12,335         12,328           Irventory, set         123,33         13,632         12,333         13,632           Irvel activates tests         123,33         13,632         14,722           Proper and equipment, net         2,57         2,73         12,73           Goodwill         2,50         2,50         16,73           Operating lear eight-of-use sets         2,57         2,73         16,73           Goodwill         9,20         16,73         16,73           Goodwill         9,20         16,73         16,73           Goodwill         9,20         16,73         16,73           Goodwill         9,20         16,93         16,93           Optamic passes         2,52         17,93         16,93         16,93           Irvel activates         2,52         17,93         16,93         16,93         16,93         16,93         16,93         16,93         16,93         16,93         16,93         16,93         16,93         16,93         16,93         16,93         16,93         16,93	Current assets:						
Finance receivables, net         6,62         6,72           Inventory, net         31,872         1,875           Frepaid expenses and other current assets         123,383         1,875           Non-current assets         31,872         1,875           Property and equipment, net         25,781         2,731           Gondwill         25,781         2,731           Gondwill         25,081         3,502           Other assets         25,091         4,505           Gondwill         25,091         4,505           Other assets         5,249         4,505           Action and crowner disperter desertions.         5,249         4,505           Other assets         5,249         4,505           Action and crowner disperter desertions.         2,257         4,255           Accent desertion and crowner disperter desertions.         2,257         1,255	Cash and cash equivalents	\$	50,927	\$	68,125		
Invention, mef         38,87         19,75           Prepaid expense and other current assers         3,754         3,758           Non-current assers         3,754         3,758           Non-current assers         13,307         14,722           Finance receivables due fier one year, net         13,307         14,722           Operating lease right-of-seasess         25,281         17,94           Goodwill         27,812         17,94           Goodwill         29,005         66,55           Other assets         29,005         66,55           Other assets         36,002         11,000           Total assets         29,005         29,005           Total course passed         25,281         25,500           Total assets         29,005         29,005           Total assets         29,005         29,005           Total assets         29,000         29,005           Total assets         29,000         29,005           Total assets         29,000         29,000           Total assets         29,000         29,000           Total assets         29,000         29,000           Total assets         29,000         29,000           To	Accounts receivable, net		30,162		37,695		
Proposition of proposition o	Finance receivables, net		6,668		6,721		
Rotal current assets:         133,88           Non-current assets:         133,08           Fineace receivables due afre nee year, net         13,09           Opperating lease right-of-use assets         25,28           Operating lease right-of-use assets         27,812           Goodwill         92,00           Oble assets         5,249           Otal anon-current assets         166,29           Otal assets         166,29           Italian seem of the preferred stock, and shareholders' equit         8           Current abslittes         8           Current obligations under long-term debt         8           Accounts payable         \$           Accume expenses         \$           Current obligations under long-term debt         8           Total current labilities         2           Total current labilities         2           Total current labilities         2           Total current labilities <td>Inventory, net</td> <td></td> <td>31,872</td> <td></td> <td>19,754</td>	Inventory, net		31,872		19,754		
Non-current asserts         Inance receivables due after one year, net         13,307         14,72           Property and equipment, net         25,281         12,78           Operating lease right-of-use asserts         2,755         2,37           Intangibles, net         27,812         17,94           Goodwill         92,005         66,65           Other assers         166,229         119,05           Other assers         166,229         119,05           Intal assers         28,961         2 5,286           Intal assers         5 289,01         5 25,68           Intal assers         5 289,01         5 28,69           Intal assers         5 28,02         5 28,19           Accrumed talge preferred stock, and shareholders' equit         8 26         6 28           Intal assers         2 28,15         2 28         1 28	Prepaid expenses and other current assets		3,754		4,285		
Finance receivables due after one year, net         13,307         14,72           Property and equipmen, net         25,281         12,78           Operating lease right-of-use assets         27,81         17,94           Goodwill         27,81         45,65           Other assets         5,249         4,56           Other assets         166,229         119,05           Ottal assets         166,229         119,05           Total assets         28,96,12         28,56,32           Liabilities, convertible preferred stock, and shareholders' equity         88,06         28,15,32           Liabilities, convertible preferred stock, and shareholders' equity         88,06         28,15,32           Liabilities, convertible preferred stock, and shareholders' equity         88,06         28,15,32           Location spayable         \$2,80         28,16         28,15           Current obligations under long-term debt         88,2         26,26         28,15           Current obligations under long-term debt         88,2         36,90         37,97         37,97         37,97         37,97         37,97         37,97         37,97         38,93         37,97         37,93         37,93         37,93         37,93         37,93         37,93         37,93	Total current assets		123,383		136,580		
Property and equipment, net         25,281         12,78           Operating lease right-of-use assets         2,781         2,73           Intangibles, net         29,005         66,65           Ober assets         5,289         4,56           Otal ann-current assets         166,229         119,05           Otal assets         28,001         2,856,05           Libilities, convertible preferred stock, and shareholders' equity         5,286,00         2,856,05           Accounts payable         5,5,489         4,844           Account payable         5,5,489         48,44           Account payable         8,52,89         28,15           Outer of ligations under long-term debt         8,26         3,28           Deferred revue         1,66         1,88           Deferred store         1,66         1,88           Total congeterm liabilities         2,75         1,8           Long-term liabilities         2,75         1,8           Deferred encore         2,75         1,8           Long-term liabilities         2,75         1,8           Long-term liabilities         2,75         1,8           Long-term liabilities         2,75         1,8           Contractin liabilities </td <td>Non-current assets:</td> <td></td> <td></td> <td></td> <td></td>	Non-current assets:						
Property and equipment, net         25,281         12,78           Operating lease right-of-use assets         2,781         2,73           Intangibles, net         29,005         66,65           Ober assets         5,289         4,56           Otal ann-current assets         166,229         119,05           Otal assets         28,001         2,856,05           Libilities, convertible preferred stock, and shareholders' equity         5,286,00         2,856,05           Accounts payable         5,5,489         4,844           Account payable         5,5,489         48,44           Account payable         8,52,89         28,15           Outer of ligations under long-term debt         8,26         3,28           Deferred revue         1,66         1,88           Deferred store         1,66         1,88           Total congeterm liabilities         2,75         1,8           Long-term liabilities         2,75         1,8           Deferred encore         2,75         1,8           Long-term liabilities         2,75         1,8           Long-term liabilities         2,75         1,8           Long-term liabilities         2,75         1,8           Contractin liabilities </td <td>Finance receivables due after one year, net</td> <td></td> <td>13,307</td> <td></td> <td>14,727</td>	Finance receivables due after one year, net		13,307		14,727		
Operating lease right-of-use assets         2,575         2,37           Intangibles, net         27,812         17,94           Goodwill         92,005         66,66           Other assets         5,249         4,56           Other assets         166,229         119,05           Total assets         289,612         255,63           Intal assets         \$ 289,612         255,63           Labilities, convertible preferred stock, and shareholders' equity           Current liabilities           Accounts payable         \$ 52,869         281,55           Accounts payable         \$ 66,66         281,55           Current biligiations under long-term debt         88         66           Current preferred revenue         1,666         1,89           Total current liabilities         25         18           Current methyliabilities         275         18           Long-term diabet, less current portion         375,48         13,39           Operating lease liabilities, non-current         25         25           Total labilities         31,24         36,48           Conscription-term liabilities         375,48         31,39           <	•				12,784		
Intangibles, net         27,812         17,94           Goodwill         92,005         66,65           Other assets         166,229         119,05           Intal assets         166,229         119,05           Intal assets         289,612         255,63           Liabilities, convertible preferred stock, and shareholders' equit         ****         ****           Current liabilities:         52,696         48,44           Accounts payable         52,676         28,15           Accounts payable         86,276         28,15           Deferred revenue         86,276         28,15           Intal current liabilities         18,689         19,89           Intal current liabilities         275         18           Intal current liabilities         275					2,370		
Goodwill         92,005         66,65           Other assets         5,249         4,55           Gotal non-current assets         166,229         119,05           Activated assets         2,280,122         2,255,62           Liabilities, convertible preferred stock, and shareholders' equity         5,280,62         8,84,4           Accrued expenses         5,280         5,286         28,15           Accrued expenses         26,27         28,15           Current obligations under long-term debt         882         69           Deferred revenue         1,666         1,88           Total current liabilities         2,75         18           Eugertermi liabilities         25,75         18           Deferred income taxes         275         18           Long-term liabilities         275         18           Deferred income taxes         275         18           Long-term liabilities         37,548         13,33           Operating lease liabilities, non-current         37,548         13,33           Total labilities         2,254         2,25           Total contribute preferred stock         2,25         3,25           Total contribute preferred stock         2,25         3,25 </td <td></td> <td></td> <td></td> <td></td> <td>17,947</td>					17,947		
Intal assets         166,229         119,05           Intal assets         \$ 289,612         \$ 255,63           Citabilities, convertible preferred stock, and shareholders' equity         Tourient liabilities:         Tourient liabilities:           Accounts payable         \$ 52,869         \$ 48,44           Accrued expenses         26,276         28,15           Current obligations under long-term debt         882         69           Deferred revene         1,666         1,839           Total current liabilities         275         18           Long-term liabilities         275         18           Long-term liabilities         275         18           Long-term liabilities         275         18           Long-term liabilities, non-current         275         18           Ope acting lease liabilities, non-current         2,504         2,36           Total labilities         3,134         3,93           Total labilities         2,504         2,36           Total labilities         2,504         2,36           Total labilities         2,504         2,36           Total labilities         2,504         2,506           Comment sand contingencies         2,504         2,506 <tr< td=""><td>The state of the s</td><td></td><td></td><td></td><td>66,656</td></tr<>	The state of the s				66,656		
Intal assets         166,229         119,05           Intal assets         \$ 289,612         \$ 255,63           Citabilities, convertible preferred stock, and shareholders' equity         Tourient liabilities:         Tourient liabilities:           Accounts payable         \$ 52,869         \$ 48,44           Accrued expenses         26,276         28,15           Current obligations under long-term debt         882         69           Deferred revene         1,666         1,839           Total current liabilities         275         18           Long-term liabilities         275         18           Long-term liabilities         275         18           Long-term liabilities         275         18           Long-term liabilities, non-current         275         18           Ope acting lease liabilities, non-current         2,504         2,36           Total labilities         3,134         3,93           Total labilities         2,504         2,36           Total labilities         2,504         2,36           Total labilities         2,504         2,36           Total labilities         2,504         2,506           Comment sand contingencies         2,504         2,506 <tr< td=""><td>Other assets</td><td></td><td>5,249</td><td></td><td>4,568</td></tr<>	Other assets		5,249		4,568		
Carrent liabilities   Secure   Secur   Secure   Secure   Secure   Secure   Secure   Secure   Secure	Total non-current assets				119,052		
Current liabilities:         \$52,869         \$48,44           Accounts payable         \$52,869         \$48,44           Accounte expenses         26,276         28,15           Current obligations under long-term debt         882         69           Deferred revenue         1,666         1,89           Total current liabilities         81,693         79,17           Long-term liabilities:         275         18           Long-term debt, less current portion         37,548         13,93           Operating lease liabilities, non-current         2,504         2,36           Total long-term liabilities         40,327         16,48           Total liabilities         2,504         2,36           Total liabilities         3,254         2,36           Total convertible preferred stock         2,20         95,66           Commitments and contingencies         2,20         3,13           Series A convertible preferred stock         2,20         3,13           Series A convertible preferred stock         2,20         3,13           Starteholders' equity         477,324         469,91           Accumulated deficit         477,324         469,91           Accumulated deficit         312,452         313,0	Total assets	\$	289,612	\$	255,632		
Accrued expenses         26,276         28,15           Current obligations under long-term debt         882         69           Deferred revenue         1,666         1,88           Total current liabilities         81,693         79,17           Long-term liabilities:         275         18           Long-term debt, less current portion         37,548         13,93           Operating lease liabilities, non-current         2,504         2,36           Total long-term liabilities         40,327         16,48           Total liabilities         5         12,202         95,66           Commitments and contingencies         -         -         -           Convertible preferred stock.         -         -         -         -           Series A convertible preferred stock, 900,000 shares authorized, 385,782 and 445,063 issued and outstanding, with liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively         2,720         3,13           Shareholders' equity:         - </td <td>Liabilities, convertible preferred stock, and shareholders' equity  Current liabilities:</td> <td>ф</td> <td><b>50.000</b></td> <td>ф</td> <td>40, 446</td>	Liabilities, convertible preferred stock, and shareholders' equity  Current liabilities:	ф	<b>50.000</b>	ф	40, 446		
Current obligations under long-term debt         882         69           Deferred revenue         1,666         1,89           Total current liabilities         81,693         79,17           Long-term liabilities:         275         18           Deferred income taxes         275         18           Long-term debt, less current portion         37,548         13,93           Operating lease liabilities, non-current         2,504         2,36           Total long-term liabilities         40,327         16,48           Total liabilities         5         122,020         \$ 95,66           Commitments and contingencies         —         —         —           Convertible preferred stock,         —         —         —         —           Series A convertible preferred stock,         90,000 shares authorized, 385,782 and 445,063 issued and outstanding, with liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively         3,13         3,13           Shareholders' equity         477,324         469,91           Accumulated deficit         (312,452)         (313,08)           Total shareholders' equity         164,872         156,83	• •	\$		\$	-, -		
Deferred revenue         1,666         1,89           Total current liabilities         81,693         79,17           Long-term liabilities:         275         18           Long-term debt, less current portion         37,548         13,93           Operating lease liabilities, non-current         2,504         2,36           Total long-term liabilities         40,327         16,48           Total liabilities         \$ 122,020         \$ 95,66           Commitments and contingencies         —         —           Convertible preferred stock.         —         —           Series A convertible preferred stock, 900,000 shares authorized, 385,782 and 445,063 issued and outstanding, with liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively         2,720         3,13           Shareholders' equity         477,324         469,91           Accumulated deficit         (312,452)         (313,08)           Total shareholders' equity         164,872         156,83							
Total current liabilities         81,693         79,177           Long-term liabilities:         275         18           Long-term debt, less current portion         37,548         13,93           Operating lease liabilities, non-current         2,504         2,36           Total long-term liabilities         40,327         16,48           Total liabilities         122,020         \$95,66           Commitments and contingencies         —         —           Comvertible preferred stock:         —         —           Series A convertible preferred stock, 900,000 shares authorized, 385,782 and 445,063 issued and outstanding, with liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively         2,720         3,13           Shareholders' equity:         Common stock, no par value, 640,000,000 shares authorized, 72,664,464 and 71,188,053 shares issued and outstanding at June 30, 2023 and 2022, respectively         477,324         469,91           Accumulated deficit         (312,452)         (313,08)           Total shareholders' equity         164,872         156,83							
Long-term liabilities:   Deferred income taxes							
Deferred income taxes         275         18           Long-term debt, less current portion         37,548         13,93           Operating lease liabilities, non-current         2,504         2,36           Total long-term liabilities         40,327         16,48           Commitments and contingencies         —         —           Convertible preferred stock.         —         —           Series A convertible preferred stock, 900,000 shares authorized, 385,782 and 445,063 issued and outstanding, with liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively         2,720         3,13           Shareholders' equity:         —         —           Common stock, no par value, 640,000,000 shares authorized, 72,664,464 and 71,188,053 shares issued and outstanding at June 30, 2023 and 2022, respectively         477,324         469,91           Accumulated deficit         (312,452)         (313,08)           Total shareholders' equity         164,872         156,83	Total current liabilities		81,693	_	79,179		
Long-term debt, less current portion       37,548       13,93         Operating lease liabilities, non-current       2,504       2,36         Total long-term liabilities       40,327       16,48         Total liabilities       122,020       95,66         Commitments and contingencies       —       —         Convertible preferred stock.       —       —         Series A convertible preferred stock, 900,000 shares authorized, 385,782 and 445,063 issued and outstanding, with liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively       2,720       3,13         Shareholders' equity       477,324       469,91         Accumulated deficit       (312,452)       (313,08)         Total shareholders' equity       164,872       156,83	Long-term liabilities:						
Operating lease liabilities, non-current         2,504         2,366           Total long-term liabilities         40,327         16,48           Total liabilities         \$ 122,020         \$ 95,66           Commitments and contingencies         —         —           Convertible preferred stock.         —         —           Series A convertible preferred stock, 900,000 shares authorized, 385,782 and 445,063 issued and outstanding, with liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively         2,720         3,13           Shareholders' equity:         —         —         —         —           Common stock, no par value, 640,000,000 shares authorized, 72,664,464 and 71,188,053 shares issued and outstanding at June 30, 2023 and 2022, respectively         477,324         469,91           Accumulated deficit         (312,452)         (313,08           Total shareholders' equity         164,872         156,83	Deferred income taxes		275		186		
Total long-term liabilities         40,327         16,48           Total liabilities         \$ 122,020         95,66           Commitments and contingencies         —         —           Convertible preferred stock:         —         —           Series A convertible preferred stock, 900,000 shares authorized, 385,782 and 445,063 issued and outstanding, with liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively         2,720         3,13           Shareholders' equity:         —         —           Common stock, no par value, 640,000,000 shares authorized, 72,664,464 and 71,188,053 shares issued and outstanding at June 30, 2023 and 2022, respectively         477,324         469,91           Accumulated deficit         (312,452)         (313,08           Total shareholders' equity         164,872         156,83	Long-term debt, less current portion		37,548		13,930		
Total liabilities \$ 122,020 \$ 95,66 Commitments and contingencies ————————————————————————————————————	Operating lease liabilities, non-current		2,504		2,366		
Commitments and contingencies  Convertible preferred stock:  Series A convertible preferred stock, 900,000 shares authorized, 385,782 and 445,063 issued and outstanding, with liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively  Shareholders' equity:  Common stock, no par value, 640,000,000 shares authorized, 72,664,464 and 71,188,053 shares issued and outstanding at June 30, 2023 and 2022, respectively  Accumulated deficit  (312,452)  (313,08)  Total shareholders' equity  (312,452)	Total long-term liabilities		40,327		16,482		
Convertible preferred stock:  Series A convertible preferred stock, 900,000 shares authorized, 385,782 and 445,063 issued and outstanding, with liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively  Shareholders' equity:  Common stock, no par value, 640,000,000 shares authorized, 72,664,464 and 71,188,053 shares issued and outstanding at June 30, 2023 and 2022, respectively  Accumulated deficit  (312,452)  (313,08)  Total shareholders' equity  (316,872)	Total liabilities	\$	122,020	\$	95,661		
Series A convertible preferred stock, 900,000 shares authorized, 385,782 and 445,063 issued and outstanding, with liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively 2,720 3,13  Shareholders' equity:  Common stock, no par value, 640,000,000 shares authorized, 72,664,464 and 71,188,053 shares issued and outstanding at June 30, 2023 and 2022, respectively 477,324 469,91  Accumulated deficit (312,452) (313,08)  Total shareholders' equity 164,872 156,83	Commitments and contingencies		_				
liquidation preferences of \$22,144 and \$22,115 at June 30, 2023 and 2022, respectively  Shareholders' equity:  Common stock, no par value, 640,000,000 shares authorized, 72,664,464 and 71,188,053 shares issued and outstanding at June 30, 2023 and 2022, respectively  Accumulated deficit  Total shareholders' equity  2,720 3,13 469,91 477,324 469,91 (312,452) (313,08) 164,872 156,83	Convertible preferred stock:						
Common stock, no par value, 640,000,000 shares authorized, 72,664,464 and 71,188,053 shares issued and outstanding at June 30, 2023 and 2022, respectively  Accumulated deficit  Total shareholders' equity  164,872  156,83		th	2,720		3,138		
outstanding at June 30, 2023 and 2022, respectively       477,324       469,91         Accumulated deficit       (312,452)       (313,08         Total shareholders' equity       164,872       156,83	Shareholders' equity:						
Accumulated deficit         (312,452)         (313,08           Total shareholders' equity         164,872         156,83	Common stock, no par value, 640,000,000 shares authorized, 72,664,464 and 71,188,053 shares issued and outstanding at June 30, 2023 and 2022, respectively		477,324		469,918		
Total shareholders' equity 156,83	Accumulated deficit		(312,452)		(313,085)		
	Total shareholders' equity				156,833		
	• •	\$	289.612	\$	255,632		

# Cantaloupe, Inc.

# **Consolidated Statements of Operations**

	Three months ended June 30,			Year ended June 30,					
(\$ in thousands, except per share data)	-	2023 2022 (Unaudited) (Unaudited)				2023 (Unaudited)		2022	
Revenues:		( , , , , , , , , , , , , , , , , , , ,		( , , , , , , , , , , , , , , , , , , ,	_	( , , , , , , , , , , , , , , , , , , ,			
Subscription and transaction fees	\$	52,971	\$	44,895	\$	200,223	\$	168,850	
Equipment sales		11,202		13,136		43,418		36,352	
Total revenues	_	64,173		58,031	_	243,641		205,202	
Costs of sales:									
Cost of subscription and transaction fees		29,566		27,158		119,715		103,392	
Cost of equipment sales		8,867		13,743		42,690		37,615	
Total costs of sales		38,433		40,901		162,405		141,007	
Gross profit		25,740		17,130		81,236		64,195	
Operating expenses:									
Sales and marketing		3,539		2,887		12,427		8,908	
Technology and product development		3,969		5,174		20,726		21,877	
General and administrative		11,747		8,796		36,926		30,519	
Investigation, proxy solicitation and restatement expenses, net of insurance recoveries		91		1,196		(362)		1,196	
Integration and acquisition expenses		354		_		3,141		_	
Depreciation and amortization		2,589		1,156		7,618		4,352	
Total operating expenses	_	22,289		19,209	_	80,476		66,852	
Operating income (loss)		3,451	_	(2,079)	_	760		(2,657)	
Other income (expense):									
Interest income		530		521		2,515		1,884	
Interest expense		(1,068)		(424)		(2,326)		(524)	
Other expense		(23)		(137)		(135)		(220)	
Total other income (net)		(561)		(40)		54		1,140	
Income (loss) before income taxes		2,890		(2,119)		814		(1,517)	
Provision for income taxes		(58)		40		(181)		(186)	
Net income (loss)		2,832		(2,079)		633		(1,703)	
Preferred dividends						(623)		(668)	
Net income (loss) applicable to common shares	\$	2,832	\$	(2,079)	\$	10	\$	(2,371)	
Net earnings (loss) per common share									
Basic	\$	0.04	\$	(0.03)		_	\$	(0.03)	
Diluted	\$	0.04	\$	(0.03)	\$	_	\$	(0.03)	
Weighted average number of common shares outstanding used to compute net earnings (loss) per share applicable to common shares									
Basic		72,604,484		71,139,270		71,978,901		71,091,790	
Diluted		72,765,369		71,139,270		72,514,634		71,091,790	

# Cantaloupe, Inc. Consolidated Statements of Cash Flows

	Year ended June 30,						
(\$ in thousands)		2023 (Unaudited)		2022		2021	
Cash flows from operating activities:							
Net income (loss)	\$	633	\$	(1,703)	\$	(8,705)	
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:							
Stock-based compensation		4,737		6,248		9,075	
Amortization of debt issuance costs and discounts		128		148		2,735	
Provision for expected losses		5,815		3,471		1,236	
Provision for inventory reserve		280		(397)		693	
Depreciation and amortization included in operating expenses		7,618		4,352		4,107	
Depreciation included in cost of subscription and transaction fees for rental equipment		1,189		973		1,405	
Property and equipment write-off		364		_		1,658	
Gain on extinguishment of debt		_		_		(3,065)	
Operating lease right-of-use asset impairment		_		_		1,578	
Other		(116)		686		1,104	
Changes in operating assets and liabilities:							
Accounts receivable		4,960		(13,649)		(10,126)	
Finance receivables		(32)		(1,884)		(1,877)	
Inventory		(10,387)		(14,064)		3,142	
Prepaid expenses and other assets		(180)		(4,262)		(847)	
Accounts payable and accrued expenses		(458)		12,153		7,013	
Operating lease liabilities		(133)		(907)		(1,014)	
Deferred revenue		(226)		130		65	
Net cash provided by (used in) operating activities		14,192		(8,705)		8,177	
receasi provided by (asea in) operating activities		14,132	-	(0,703)		0,177	
Cash flows from investing activities:							
Capital expenditures		(16,151)		(9,260)		(1,838)	
Acquisition of business, net of cash acquired		(35,714)		(2,966)		(1,050)	
Proceeds from sale of property and equipment		(33,714)		(2,300)		10	
Net cash used in investing activities		(51,865)		(12,226)		(1,828)	
Net cash used in investing activities		(31,003)		(12,220)		(1,020)	
Cash flows from financing activities:							
Proceeds from long-term debt		25,000		738		14,550	
Repayment of long-term debt		(1,270)		(606)		(15,744)	
Proceeds from private placement		_		_		55,008	
Payment of equity issuance costs		_		_		(2,618)	
Payment of Antara prepayment penalty and commitment termination fee		_		_		(1,200)	
Contingent consideration paid for acquisition		(1,000)		_		_	
Repurchase of Series A Convertible Preferred Stock		(2,151)		_		_	
Payment of employee taxes related to stock-based compensation		(104)		_		_	
Proceeds from exercise of common stock options				895		78	
Payment of third-party debt issuance costs		_		(107)		_	
Net cash provided by financing activities		20,475		920		50,074	
Net (decrease) increase in cash and cash equivalents		(17,198)		(20,011)		56,423	
Cash and cash equivalents at beginning of year		68,125		88,136		31,713	
Cash and cash equivalents at beginning of year	\$	50,927	\$	68,125	\$	88,136	
1							
Supplemental disclosures of cash flow information:							
Interest paid in cash	\$	2,641			\$	1,055	
Income taxes paid in cash	\$		\$	94	\$	81	
Common stock issued in business combination (non-cash financing activity)		4,506		_		_	

# Cantaloupe, Inc. Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA (Unaudited)

	Three months ended June 30,							
(\$ in thousands)		2023	2022		2021			
U.S. GAAP net income (loss)	\$	2,832	\$ (2,079)	\$	2,658			
Less: interest income		(530)	(521)		(181)			
Plus: interest expense		1,068	424		43			
Plus: income tax provision		58	(40)		237			
Plus: depreciation expense included in costs of sales for rentals		337	235		349			
Plus: depreciation and amortization expense in operating expenses		2,589	1156		996			
EBITDA		6,354	(825)		4,102			
Plus: stock-based compensation (a)		1,848	1,623		2,709			
Plus: investigation, proxy solicitation and restatement expenses, net of insurance recoveries (b)		91	1,196		_			
Plus: integration and acquisition expenses (c)		354	_		_			
Plus: remediation expense (d)		573	_		_			
Plus: asset impairment charge <sup>(e)</sup>		_	_		1,245			
Plus: gain on extinguishment of debt <sup>(f)</sup>		_	_		(3,065)			
Adjustments to EBITDA		2,866	2,819		889			
Adjusted EBITDA	\$	9,220	\$ 1,994	\$	4,991			

<sup>(</sup>a) As an adjustment to EBITDA, we have excluded stock-based compensation, as it does not reflect our cash-based operations.

<sup>(</sup>b) 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.

<sup>(</sup>c) 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.

<sup>(</sup>d) As an adjustment to EBITDA, we have excluded expense incurred in connection with a one-time project related to remediating previously identified material weakness in our internal control over financial reporting from the prior year.

<sup>(</sup>e) As an adjustment to EBITDA, we have excluded the non-cash impairment charges related to long-lived operating lease right-of-use assets because we believe that these do not represent charges that are related to our core operations.

<sup>(</sup>f) As an adjustment to EBITDA, we have excluded the one-time gain related to the forgiveness of our PPP loan.

	Year ended June 30,									
(\$ in thousands)		2023	2022	2021						
Net income (loss)	\$	633	\$ (1,703)	\$ (8,705)						
Less: interest income		(2,515)	(1,884)	(1,159)						
Plus: interest expense		2,326	524	4,013						
Plus: income tax provision		181	186	370						
Plus: depreciation expense included in cost of sales for rentals		1,189	973	1,404						
Plus: depreciation and amortization expense in operating expenses		7,618	4,352	4,107						
EBITDA		9,432	2,448	30						
Plus: stock-based compensation (a)		4,737	6,248	9,075						
Plus: investigation, proxy solicitation and restatement expenses, net of insurance recoveries (b)		(362)	1,196	_						
Plus: integration and acquisition expenses (c)		3,141	_	_						
Plus: severance expenses (d)		273	_	_						
Plus: remediation expenses (e)		573	_	_						
Plus: asset impairment charge <sup>(f)</sup>		_	_	1,578						
Less: gain on extinguishment of debt (g)		_	_	(3,065)						
Adjustments to EBITDA		8,362	7,444	7,588						
Adjusted EBITDA	\$	17,794	\$ 9,892	\$ 7,618						

<sup>(</sup>a) As an adjustment to EBITDA, we have excluded stock-based compensation, as it does not reflect our cash-based operations.

<sup>(</sup>b) 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. During the year ended June 30, 2023, we incurred additional costs relating to the settlement of the 2019 Investigation, which was partially offset by a \$2.0 million D&O insurance reimbursement for legal fees and expenses incurred in connection with the 2019 Investigation. Accordingly, Adjusted EBITDA contains a negative adjustment.

<sup>(</sup>c) 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.

<sup>(</sup>d) As an adjustment to EBITDA, we have excluded expenses incurred in connection with a one-time, non-recurring severance charges related to work force reduction.

<sup>(</sup>e) As an adjustment to EBITDA, we have excluded expense incurred in connection with a one-time project related to remediating previously identified material weakness in our internal control over financial reporting from the prior year.

<sup>(</sup>f) As an adjustment to EBITDA, we have excluded the non-cash impairment charges related to long-lived operating lease right-of-use assets because we believe that these do not represent charges that are related to our core operations.

<sup>(</sup>g) As an adjustment to EBITDA, we have excluded the one-time gain related to the forgiveness of our PPP loan.