

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 8, 2022  
Date of Report (date of earliest event reported)



Cantaloupe, Inc.

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of  
incorporation or organization)

001-33365

(Commission File Number)

23-2679963

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

100 Deerfield Lane Suite 300

(Address of Principal Executive Offices)

Malvern Pennsylvania

19355

(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 Global Select Market

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 2.02 Results of Operations and Financial Condition.**

On September 8, 2022, Cantaloupe, Inc. (the “Company”) issued a press release announcing the Company’s financial results for the fourth quarter and fiscal year ended June 30, 2022. 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

### ***Management Transitions***

On September 8, 2022, Sean Feeney, the Company’s Chief Executive Officer, announced his retirement and resigned from his role at the Company and its subsidiaries, effective September 30, 2022. Mr. Feeney has agreed to support transition activities through September 30, 2022 (the “Separation Date”) and has entered into a Separation and Transition Agreement with the Company (the “Separation and Transition Agreement”). Pursuant to the Separation and Transition Agreement and in consideration for his transition services, the Company will pay Mr. Feeney’s COBRA premiums for a period beginning October 1, 2022 to June 30, 2023. The Separation and Transition Agreement also contains confirmation of the restrictive covenants in his existing employment agreement.

In connection with Mr. Feeney’s retirement, Ravi Venkatesan (age 46), the Company’s Chief Operating Officer, was appointed Chief Executive Officer, effective October 1, 2022. Mr. Venkatesan has served as the Company’s Chief Operating Officer since February 2022 and its Chief Technology Officer since December 2020. Prior to joining the Company, Mr. Venkatesan was Head of Innovation at Bakkt. He held the dual roles of Chief Technology Officer and Chief Product Officer at Bridge2 Solutions, preceding its sale to ICE, the parent company of Bakkt. Prior to his position at Bakkt he was the Vice President of Information Technology Strategy and Delivery at Cbeyond. Earlier in his career he served as a consulting leader with Accenture. Mr. Venkatesan graduated from Bangalore University with a degree in Electronics and holds an MBA in Finance and Information Management from the Management Development Institute.

As noted below, in connection with his promotion to Chief Executive Officer, Mr. Venkatesan will also be promoted to the Board of Directors, effective October 1, 2022, with an initial term expiring at the Company’s 2023 Annual Meeting of Shareholders.

In connection with this appointment as Chief Executive Officer, the Company entered into a letter agreement, amending in part his February 4, 2022 employment agreement (the “Venkatesan Employment Agreement”), to be effective as of September 30, 2022 (the “Promotion Letter”). Pursuant to the Promotion Letter, Mr. Venkatesan will serve as the Company’s Chief Executive Officer and will be appointed to the Board of Directors. He will receive an initial annual base salary of \$450,000 and be eligible to earn an annual incentive bonus with a target opportunity equal to 100% of Mr. Venkatesan’s base salary pursuant to the terms of the Company’s annual incentive plan. He is being granted the option to purchase 800,000 options pursuant to the Company’s 2018 Equity Incentive Plan, to be vested equally on the first four anniversaries of October 1, 2022, which are subject to the terms of the award agreement and contingent on the approval and issuance of additional shares under the Company’s 2018 Equity Incentive Plan. In addition, beginning with the fiscal year ending June 30, 2023 he is eligible to receive an annual equity grant with a target of 100% of his Base Salary.

There are no family relationships between Mr. Venkatesan and any director or executive officer. Additionally, there have been no transactions involving Mr. Venkatesan that would require disclosure under Item 404(a) of Regulation S-K.

The foregoing descriptions of the Separation and Transition Agreement and the Promotion Letter are not complete and are qualified in their entirety by the copies of such agreements, which are attached hereto as Exhibits 10.4, 10.5 and 10.6, respectively.

## Item 9.01 Financial Statements and Exhibits

Exhibit Number	Ex. Description
<a href="#">10.1</a>	<a href="#">Separation and Transition Agreement, by and between Cantaloupe, Inc. and Sean Feeney</a>
<a href="#">10.2</a>	<a href="#">Promotion Letter, between Cantaloupe, Inc. and Ravi Venkatesan</a>
<a href="#">99.1</a>	<a href="#">Earnings release dated September 8, 2022</a>
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 8, 2022

By: /s/ Davina Furnish  
Davina Furnish  
General Counsel and Secretary

## SEPARATION AND TRANSITION AGREEMENT

THIS SEPARATION AND TRANSITION AGREEMENT (the "Agreement") is entered into by and between Cantaloupe, Inc. (f/k/a USA Technologies, Inc.), a Pennsylvania corporation (the "Company"), and Sean Feeney ("Employee"), as of September 7, 2022.

WHEREAS, Employee is the Company's Chief Executive Officer;

WHEREAS, Employee's employment with the Company will end at the end of the day on September 30, 2022 (the "Separation Date"), and during the period from the date of this Agreement through and including the Separation Date, Employee will continue to provide services as requested by the Company (including, without limitation, assisting the Company with the transition of Employee's duties to his successor); and

WHEREAS, the Company and Employee desire to resolve all disputes between them on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Officer Resignation; Continued Employment Through the Separation Date; Payment of Accrued Salary.

(a) Officer Resignation. Employee hereby resigns his role as Chief Executive Officer of the Company effective as of the date of this Agreement and further resigns all officer roles and positions with the Company and any parent, affiliate or subsidiary effective as of the date of this Agreement.

(b) Continued Employment. From the date hereof through and including the Separation Date, (i) Employee will continue to be employed by the Company on a full-time basis as the Advisor to the Company's Chief Executive Officer, providing such services as requested by the Company (including, without limitation, assisting the Company with the transition of Employee's duties to his successor), and (ii) in consideration for such services, the Company will continue to pay Employee a base salary at his current rate and Employee will continue to participate in the Company's benefit plans at the same level as in effect on the date of this Agreement, subject to the terms and conditions of such benefit plans.

(c) Accrued Salary. On or as soon after the Separation Date as is administratively practicable, the Company shall issue to Employee his final paycheck, reflecting Employee's fully earned and accrued but unpaid base salary through the Separation Date. Employee acknowledges and agrees that with his final check, Employee will have received all monies, bonuses, commissions, or other compensation he earned or was due during his employment by the Company.

(d) Benefits. Employee's entitlement to benefits from the Company, and eligibility to participate in the Company's benefit plans, shall cease on the Separation Date. As soon as is administratively practicable after the Separation Date, the Company shall issue to Employee payment for his accrued and unused paid time off through the Separation Date. Provided that he is otherwise eligible, Employee may elect to receive continued healthcare coverage at Employee's own expense pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") in accordance with the provisions of COBRA.

(e) No Other Pay or Benefits. Employee acknowledges and agrees that the payments and benefits outlined in Section 1 of this Agreement are the only payments and benefits to which Employee is entitled.

2. Coverage for COBRA premiums. Subject to and conditioned upon (x) Employee's timely execution and delivery (within twenty-one (21) days following the Company's providing a copy of this Agreement to Employee) and non-revocation of this Agreement, (y) Employee's continued compliance with the terms of this Agreement, and (z) Employee's timely execution and delivery (within twenty-one (21) days following the Separation Date) of the Release attached hereto as Exhibit A (the "Release") and the Release having become fully effective and irrevocable in accordance with its terms, the Company shall provide Employee with continuing healthcare coverage under COBRA and shall cover and pay Employee's premiums therefore from October 1, 2022 through June 30, 2023.

Except as provided in this Section 2, Employee acknowledges and agrees that he is owed no further payments (including, but not limited to, severance pay and pay in lieu of any notice required under Employee's employment agreement with the Company, dated May 8, 2020 (the "Employment Agreement"), or otherwise) or benefits of any kind from the Company or any of its subsidiaries.

Notwithstanding the foregoing, upon Employee's death or Disability (as defined in the Employment Agreement) between the date of this Agreement and the Separation Date, all consideration provided under this Section 2 shall be assigned to the Employee's estate or guardian, as applicable, and subject to the estate or guardian's execution of the Release, will be provided to the Employee's estate or guardian.

3. Confirmation of Continuing Obligations.

(1) Confidentiality Restrictions. Employee acknowledges and agrees that the confidentiality restrictions contained in the Employment Agreement remain in full force and effect, and Employee shall continue to abide by such restrictions following the Separation Date in accordance with their terms. Such restrictions are incorporated by reference as though fully set forth in this Agreement.

(b) Non-Disparagement. Employee agrees that he will not make any disparaging or untruthful remarks or statements, whether oral or written, about the Company, its operations or its products, services, affiliates, officers, directors, employees, or agents, or issue any communication that reflects adversely on or encourages any adverse action against the Company. Employee agrees that he will not make any direct or indirect written or oral statements to the press, television, radio or other media or other external persons or entities concerning any matters pertaining to the business and affairs of the Company, its affiliates or any of its officers or directors. This clause (b) will not be violated by any truthful statements made in the course of a governmental investigation, legal proceeding, or under applicable law.

(c) Injunctive Relief. Employee acknowledges and agrees that it would be difficult to fully compensate the Company for damages resulting from the breach or threatened breach of the covenants set forth in Section 3 of this Agreement and accordingly agrees that the Company shall be entitled to temporary and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the need to post any bond, to enforce such provisions in any action or proceeding instituted in the United States District Court for the District of Delaware or in any court in the State of Delaware having subject matter jurisdiction. This provision with respect to injunctive relief shall not, however, diminish the Company's right to claim and recover damages. Employee further acknowledges and agrees that, without limitation of any other remedies available to the Company at law or in equity, in the

event of any breach of any of the covenants set forth in Section 3 of this Agreement, Employee shall repay to the Company any payments (on a pre-tax basis) received pursuant to Section 2(a) of this Agreement within ten (10) days of any such breach.

(d) Cooperation. Employee agrees (i) to be reasonably available to answer questions for any of the Company's officers or directors regarding any matter, project, or effort with which Employee was involved while employed by the Company and (ii) to cooperate with the Company during the course of all proceedings arising out of the Company's operations or business about which Employee has knowledge or information. For purposes of this Agreement, "proceedings" include internal investigations, administrative investigations or proceedings, and lawsuits (including pre-trial discovery and trial testimony) and "cooperation" includes (A) the Employee's being reasonably available for interviews, meetings, depositions, hearings and/or trials without the need for subpoena or assurances by the Company, (B) providing any and all documents in Employee's possession that relate to the proceeding, and (C) providing assistance in locating any and all relevant notes and/or documents relevant to any proceedings. Such assistance and cooperation shall be without additional compensation other than reimbursement for reasonable associated expenses, any of which must be pre-approved, in writing, by the Company; provided, however, the Company shall compensate the Employee on an hourly basis if the Employee is asked to testify or prepare documents. For purposes of the previous sentence, the hourly rate shall be mutually agreed between the Company and the Employee.

(e) Return of Property. On or promptly following the Separation Date (or upon the earlier request of the Company), Employee shall return to the Company all of the Company's property (including, without limitation, any Company-owned electronic devices, laptops, desktop computers, or computer accessories), documents (hard copy or electronic files), and information. Employee has not and will not copy or transfer any Company information, nor will Employee maintain any Company information after the date of return described in this clause (e), except as required to comply with any litigation holds.

(f) Whistleblower Provision. Notwithstanding anything to the contrary contained in this Agreement, (i) Employee will not be prevented from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies), and (ii) Employee acknowledges that he will not be held criminally or civilly liable for (A) the disclosure of confidential or proprietary information that is made in confidence to a government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) disclosure of confidential or proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding under seal or pursuant to court order. Employee represents to the Company that he is not aware of any actual or suspected violation of law that could be the subject of any claims or proceedings described in this clause (f).

#### 4. Release of Claims.

(a) General Release of Claims by Employee. In exchange for the benefits of this Agreement, and in consideration of the further agreements and promises set forth herein, Employee, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Employee is or has been a participant by virtue of his employment with or service to the

Company (collectively, the “Releasees”), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever, including attorneys’ fees and costs (collectively, “Claims”), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected, which Employee has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Employee’s employment by or service to the Company or the termination thereof, and Employee’s right to purchase, or actual purchase of, any common shares or other equity interests of the Company or any of its affiliates, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract (including, without limitation, any such claim related to any notice period or pay in lieu thereof provided in the Employment Agreement), fraud, negligent or intentional misrepresentation, promissory estoppel, negligent or intentional infliction of emotional distress, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, conversion, disability benefits, or other liability in tort or contract; claims for recovery of attorneys’ fees and costs; claims for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; and all legal and equitable claims of any kind that may be brought in any court or administrative agency including, without limitation, claims under Title VII of the Civil Rights Act of 1964, as amended; the Americans with Disabilities Act, as amended (“ADEA”); the Rehabilitation Act of 1973, as amended; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended; the Genetic Information Nondiscrimination Act; the Equal Pay Act, as amended; regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended; the Fair Labor Standards Act of 1938, as amended; the Employee Retirement Income Security Act, as amended; the Fair Credit Reporting Act.; the Worker Adjustment and Retraining Notification Act; the Sarbanes-Oxley Act, 18 U.S.C. Section 1514A.1, et seq.; the Pennsylvania Human Relations Act; the federal and any state constitution; and all Pennsylvania state and local laws.

(b) Notwithstanding the generality of the foregoing, Employee does not release the following claims: (i) Claims under this Agreement; (ii) Claims pursuant to the terms and conditions of COBRA; (iii) Employee’s right to bring to the attention of the Equal Employment Opportunity Commission or any other federal, state or local government agency claims of discrimination, harassment, interference with leave rights or retaliation; provided, however, that Employee does release Employee’s right to secure any damages for such alleged treatment; and (iv) Employee’s right to communicate or cooperate with any government agency.

(c) Employee acknowledges that he has been advised that, by statute or common law, a general release may not extend to Claims of which Employee is not aware at the time of entering into this Agreement which, if known by Employee may or would have materially affected his decision to enter into the Agreement. Being aware of this fact, Employee waives any right he may have by statute or under common law principles to preserve his ability to assert such unknown Claims.

(d) Employee acknowledges that the Company has advised him in writing that he should consult with an attorney of his choice before signing this Agreement, and Employee has had sufficient time to consider the terms of this Agreement, including his release of Claims. Employee represents and acknowledges that Employee executes this Agreement knowingly, voluntarily, and upon the advice and with the approval of Employee’s legal counsel.

(e) Employee acknowledges that he has been provided with twenty-one (21) days to consider the terms of this Agreement, but may voluntarily elect to sign this Agreement in a shorter period of time. Employee further understands that he has seven (7) days following the execution of this Agreement to revoke this Agreement (including Employee's release of claims in this Section 4), and that this Agreement and Employee's release of claims will not become effective or enforceable until the seven (7)-day period has expired. Employee may revoke this Agreement by providing written notice of revocation to the Company's General Counsel within such seven (7)-day period. This Agreement will become effective and irrevocable on the eighth (8<sup>th</sup>) day after Employee signs it if he does not timely revoke it. **Employee acknowledges and agrees that he is receiving payments and benefits to which he would not be entitled in absence of his timely execution, delivery, and non-revocation of this Agreement (including Exhibit A), and that if Employee fails to timely execute and deliver, or if Employee revokes, this Agreement (including Exhibit A), then the Company will have no further obligation to pay or provide Employee any payments or benefits under this Agreement, including the severance benefits described in Section 2.**

5. Additional Representations and Warranties By Employee. Employee represents that Employee has no pending complaints or charges against the Releasees, or any of them, with any state or federal court, or any local, state or federal agency, division, or department based on any event(s) occurring prior to the date Employee signs this Agreement, is not owed wages, commissions, bonuses or other compensation, other than as set forth in this Agreement, and did not, to the best of his knowledge, during the course of Employee's employment, sustain any injuries for which Employee might be entitled to compensation pursuant to worker's compensation law. Except as expressly permitted by this Agreement, Employee further represents that Employee will not in the future file, participate in, encourage, instigate or assist in the prosecution of any claim, complaints, charges or in any lawsuit by any party in any state or federal court against the Releasees, or any of them, unless such aid or assistance is ordered by a court or government agency or sought by compulsory legal process, claiming that the Releasees, or any of them, have violated any local, state or federal laws, statutes, ordinances or regulations based upon events occurring prior to the execution of this Agreement. Nothing in this Section 5 is intended to affect Employee's right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator. Employee additionally represents and warrants to the Company that Employee has disclosed to the Board of Directors of the Company (as constituted as of the date of this Agreement) any and all information of which Employee has knowledge that is relevant to the Company's past and ongoing internal investigations in which Employee was asked to participate.

6. Knowing and Voluntary. Employee represents and agrees that, prior to signing this Agreement, Employee had the opportunity to discuss the terms of this Agreement with legal counsel of Employee's choosing. Employee further represents and agrees that Employee is entering into this Agreement knowingly and voluntarily. Employee affirms that no promise was made to cause Employee to enter into this Agreement, other than what is promised in this Agreement. Employee further confirms that Employee has not relied upon any other statement or representation by anyone other than what is in this Agreement as a basis for Employee's agreement.

7. Miscellaneous.

(a) Entire Agreement; Modification. This Agreement sets forth the entire understanding of the parties, superseding all prior agreements and understandings, written or oral, with respect to the subject matter hereof and supersedes all existing agreements between them concerning such subject matter. This Agreement may be amended or modified only with



the written consent of Employee and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

(b) Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Employee, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the “Company” shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

(c) Third-Party Beneficiaries. This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

(d) Waiver. The failure of either party hereto at any time to enforce performance by the other party of any provision of this Agreement shall in no way affect such party’s rights thereafter to enforce the same, nor shall the waiver by either party of any breach of any provision hereof be deemed to be a waiver by such party of any other breach of the same or any other provision hereof.

(e) Non-transferability of Interest. None of the rights of Employee to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Employee. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Employee to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

(f) Jurisdiction; Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of law provisions thereof. Employee and the Company agree that the state and federal courts of Wilmington, Delaware shall have the exclusive jurisdiction to consider any matters related to this Agreement, including without limitation any claim of a violation of this Agreement. With respect to any such court action, Employee submits to the jurisdiction of such courts and Employee acknowledges that venue in such courts is proper.

(g) Ambiguities. The general rule that ambiguities are to be construed against the drafter shall not apply to this Agreement. In the event that any language of this Agreement is found to be ambiguous, all parties shall have the opportunity to present evidence as to the actual intent of the parties with respect to any such ambiguous language.

(h) Severability. If any sentence, phrase, paragraph, subparagraph or portion of this Agreement is found to be illegal or unenforceable, such action shall not affect the validity or enforceability of the remaining sentences, phrases, paragraphs, subparagraphs or portions of this Agreement.

(i) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.

(j) Withholding and Other Deductions. All compensation payable or provided to Employee hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

(k) Taxes; Right to Seek Independent Advice. Employee understands and agrees that all payments under this Agreement will be subject to appropriate tax withholding and other deductions, as and to the extent required by law. Employee acknowledges and agrees that neither the Company nor the Company's counsel has provided any legal or tax advice to Employee and that Employee is free to, and is hereby advised to, consult with a legal or tax advisor of Employee's choosing.

\* \* \* \* \*

*[signature page follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

CANTALOUPE, INC.

By: /s/ Doug Bergeron  
Name: Doug Bergeron  
Title: Chair, Board of Directors

EMPLOYEE

/s/ Sean Feeney  
Sean Feeney

*[Signature Page to Separation and Transition Agreement]*

## **Exhibit A**

### **Release**

1. I, Sean Feeney, hereby execute this Release as of the date set forth below. Capitalized terms used but not defined in this Release shall have the meanings set forth in the Separation and Transition Agreement (the "Separation Agreement") to which this Release is attached as Exhibit A.
2. I hereby extend my release of Claims set forth in Section 4 of the Separation Agreement to cover all Claims I have ever had, have, or hereafter may have against any Releasee, directly or indirectly, whether known or unknown, from the beginning of time to the date of this Release.
3. My foregoing release shall not apply to the extent prohibited by law or to my right to enforce the terms of the Separation Agreement; it being understood and agreed that the payments and benefits set forth in Section 2 of the Separation Agreement are expressly contingent upon my timely execution and delivery (within twenty-one (21) days following the Separation Date) of this Release and continued compliance with the terms of the Separation Agreement and this Release, and if these conditions are at any time not satisfied, the Company shall have no further obligation to pay or provide any of the payments or benefits provided in Section 2 of the Separation Agreement.
4. Except as provided in paragraph 5 below, I represent and warrant that I have not filed and will not file any claim, charge, or lawsuit (civil, administrative, or criminal) against any Releasee, either individually in any type of proceeding or as a member of a class, based upon acts, occurrences, or events which are subject to my release in paragraph 2 above. If I breach this provision and file an action falling within its scope, I agree to indemnify the Releasees for all costs, including court costs and reasonable attorneys' fees, incurred by any Releasee in the defense of such action or in establishing or maintaining the application or validity of this Release or the provisions thereof.
5. I understand that by this Release I am not releasing: (i) Claims under the Separation Agreement; (ii) Claims pursuant to the terms and conditions of COBRA; (iii) my right to bring to the attention of the Equal Employment Opportunity Commission or any other federal, state or local government agency claims of discrimination, harassment, interference with leave rights or retaliation; provided, however, that I do release my right to secure any damages for such alleged treatment; and (iv) my right to communicate or cooperate with any government agency.
6. I hereby confirm that I am in full compliance with all terms and conditions of the Separation Agreement.
7. I acknowledge and agree that in accordance with the terms of ADEA, as amended by the Older Workers Benefit Protection Act:
  - a. I have read and understand this Release and knowingly and voluntarily entered into this Release without fraud, duress, or any undue influence.
  - b. I acknowledge that by this Release, the Company has advised me in writing to consult with an attorney before signing this Release.
  - c. I understand the language of this Release and its meaning, particularly with respect to my waiver and release of any Claims against the Releasees.
  - d. I have been afforded twenty-one (21) days to consider the terms of this Release, but may voluntarily elect to sign this Release in a shorter period of time.

- e. I have seven (7) days following the execution of this Release to revoke my release of Claims provided in this Release, and such release will not become effective or enforceable until the seven (7)-day period has expired. I may revoke this Release by providing written notice of revocation to the Company's General Counsel within such seven (7)-day period. This Release will become effective and irrevocable on the eighth (8<sup>th</sup>) day after I sign it if I do not timely revoke it.
  - f. I am receiving payment and other consideration from the Company that I would not otherwise be entitled to in absence of this Release and further understand that if I do not execute this Release, or timely revoke my release of Claims provided in this Release, the Company shall have no further obligation to pay or provide any of the payments or benefits provided in Section 2 of the Separation Agreement.
  - g. I am not waiving any rights or claims that may arise after the date this Release is executed.
8. This Release will be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of law provisions thereof. I agree that the state and federal courts of Wilmington, Delaware shall have the exclusive jurisdiction to consider any matters related to this Release, including without limitation any claim of a violation of this Release. With respect to any such court action, I submit to the jurisdiction of such courts and I acknowledge that venue in such courts is proper.

\* \* \* \* \*

IN WITNESS WHEREOF, I, Sean Feeney, have signed this Release on \_\_\_\_\_, 2022.

\_\_\_\_\_  
Sean Feeney  
**(not to be signed until Separation Date)**

September 8, 2022

Re: Promotion Letter

Dear Ravi:

Through this letter, Cantaloupe, Inc. (the "Company") is pleased to offer you a promotion to Chief Executive Officer of the Company effective October 1, 2022.

The purpose of this letter is to describe certain aspects of your upcoming promotion (the "Promotion Letter") and amend portions of your current employment agreement with the Company dated February 4, 2022 (the "Employment Agreement"). Capitalized terms not otherwise defined in this Promotion Letter are defined in the Employment Agreement. To the extent not addressed in this Promotion Letter, the Employment Agreement remains in full force and effect and this Promotion Letter only amends the specific terms addressed herein.

The following changes will be effective October 1, 2022:

- 1) Employment with the Company. Executive shall hold the position of Chief Executive Officer. In this role, Executive will report to the Company's Board of Directors (the "Board"). All employees of the Company and its Affiliates will report to Executive or the Executive's designee (except that the Company's internal audit function and other functions as appropriate may report directly to the Board or a committee thereof, as the Board may direct). Executive shall perform such duties and responsibilities for the Company and its Affiliates consistent with his position and as may otherwise be established from time to time by the Board, but in all cases consistent with the duties and responsibilities associated with the chief executive officer for companies of comparable size and nature.
- 2) Appointment to the Board of Directors. Effective October 1, 2022, the Board shall appoint the Executive as a Director of the Company.
- 3) Position and Duties. All references to "CEO" in Section 3 of the Employment Agreement shall be replaced with "Board".
- 4) Base Salary. The Company shall pay to Executive a base salary for services at the annual rate of \$450,000.00. The Base Salary shall be paid in accordance with the Company's normal payroll procedures and policies, as such procedures and policies may be modified from time to time and shall be reviewed and adjusted in the sole discretion of the Board's Compensation Committee ("Committee").
- 5) Annual Incentive Compensation. Executive will be eligible to earn an annual incentive bonus with a target opportunity equal to 100% of Executive's Base Salary (the "Target Bonus"), and a maximum award percentage to be set by the Committee, pursuant to the terms and conditions of the Company's Annual Incentive Plan ("AIP") as in effect

during the applicable period. Executive's AIP bonus earned shall be calculated based on the terms for the AIP in effect for the applicable year and as determined in the sole discretion of the Committee. Except as otherwise expressly set forth in this Promotion Letter or the Employment Agreement, Executive must be employed on the date of payment to be eligible to receive any annual incentive bonus in respect of any applicable fiscal year.

- 6) Promotion Equity Award. Subject to the conditions provided in this paragraph, Executive will be granted an award of 800,000 options pursuant to the Company's 2018 Equity Incentive Plan or a successor plan, which shall be granted on October 1, 2022 (the "Promotion Grant"). The Promotion Grant will vest over a four-year period, subject to the terms and conditions of the attached award agreement and contingent on the approval and issuance of additional shares under the 2018 Equity Incentive Plan at the Company's 2023 Annual Meeting of Shareholders on November 9, 2022 or any postponement thereof. The Promotion Grant will not be granted unless and until such shareholder approval is obtained.
- 7) Annual Equity Award. Beginning with the fiscal year ended June 30, 2023, Executive will be eligible for an annual equity award with a target of 50% of Base Salary, to be granted in accordance with the criteria and timing of other eligible employees of the Company's long-term incentive plan.
- 8) Good Reason. All references to "CEO" in Section 9(e) of the Employment Agreement shall be replaced with "Board" and all references to "chief operating officer" in Section 9(e) shall be replaced with "chief executive officer".

Unless otherwise described above, all other provisions of the Employment Agreement remain in full force and effect. If agreed, please acknowledge and accept the revised terms in this Promotion Letter by signing below.

Ravi, we are very excited for you to assume the role of Chief Executive Officer and look forward to your continued contributions to the success of the Company.

*[Signature Page Follows]*

CANTALOUPE, INC.

/s/ Doug Bergeron

By: Doug Bergeron

Its: Chair, Board of Directors

EXECUTIVE

/s/ Ravi Venkatesan

Ravi Venkatesan





## Cantaloupe, Inc. Reports Record Revenue for the Fourth Quarter and Fiscal Year 2022

*Fourth Quarter Revenue Increased 18% Year over Year to \$58 million*

*Fiscal Year 2022 Revenue Increased 23% Year over Year to \$205 million*

**MALVERN, Pa. -- September 8, 2022** -- Cantaloupe, Inc. (Nasdaq: CTLP) ("Cantaloupe" or the "Company"), a digital payments and software services company that provides end-to-end technology solutions for the unattended retail market, today reported results for the fourth quarter and fiscal year ended June 30, 2022.

The Company reported an all-time high for total quarterly revenue of \$58 million, up 18% over fourth quarter 2021. This is also the fifth successive quarter with double-digit year-over-year revenue growth. For the full fiscal year, the Company reported a 23% increase in revenue to \$205 million, also a new record.

### **Fourth Quarter 2022 Financial Highlights:**

- Record revenue of \$58.0 million, an increase of 18% year over year. The increase was led by a fifth consecutive quarter of record transaction revenue
  - Transaction fees of \$30.0 million, an increase of 23% year over year
  - Subscription fees of \$14.9 million, an increase of 7% year over year
  - Equipment sales of \$13.1 million, an increase of 22% year over year
- Total Dollar Volumes of Transactions in the fourth quarter were \$616.1 million, an increase of 20% year over year
- Gross margin of 29.5% compared with 30.2% in the prior year quarter
  - Subscription and transaction fees margins of 39.5% compared to 39.3% in the prior year quarter
  - Equipment sales margins of (4.6)% compared to (2.3)% in the prior year quarter
- GAAP Net loss applicable to common shares of \$2.1 million, or \$(0.03) per share, compared to Net income applicable to common shares of \$2.7 million, or \$0.04 per share, in the prior year period
- Adjusted EBITDA<sup>1</sup> of \$2.0 million compared to \$5.0 million in the prior year period. Prior year benefited from a \$2.9 million adjustment to a sales tax reserve due to a state law change

### **Fiscal Year 2022 Financial Highlights:**

- Record revenue of \$205.2 million, an increase of 23% year over year
  - Transaction fees of \$110.7 million, an increase of 29% year over year
  - Subscription fees of \$58.1 million, an increase of 8% year over year
  - Equipment sales of \$36.4 million, an increase of 31% year over year
- Total Dollar Volumes of Transactions in the fiscal year were \$2.3 billion, an increase of 30.2% year over year

<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*.

- Gross margin of 31.3% compared with 32.4% in the prior year
  - Subscription and transaction fees margins of 38.8% compared to 39.9% in the prior year
  - Equipment sales margins of (3.5)% compared to (5.8)% in the prior year
- GAAP Net loss applicable to common shares of \$2.4 million, or \$0.03 per share, compared to Net loss applicable to common shares of \$9.4 million, or \$0.14 per share, in the prior year
- Adjusted EBITDA<sup>1</sup> of \$9.9 million compared to \$7.6 million in the prior year

“We are pleased to report a record fourth quarter and year,” said Sean Feeney, chief executive officer, Cantaloupe. “The self-service economy is still at an early stage, and we are very excited about Cantaloupe’s leadership position, allowing us to capitalize on the secular tailwinds benefitting our industry.”

#### **Recent Business Highlights:**

- Active Customers totaled 23,991 at the end of the fourth quarter of 2022 compared to 19,834 at the end of the fourth quarter of 2021, an increase of 21%
- Active Devices totaled 1.14 million at the end of the fourth quarter of 2022 compared to 1.09 million at the end of the fourth quarter of 2021, an increase of 4%
- Successfully launched a bundled subscription model, the Cantaloupe ONE Platform
- Shipped 43,000 of newly launched Engage interactive devices in fiscal year 2022

#### **Management Changes:**

- Ravi Venkatesan appointed chief executive officer, effective October 1, 2022. Venkatesan, who currently serves as Cantaloupe’s COO, will succeed Sean Feeney, who will retire from Cantaloupe as of September 30, 2022
- Gaurav Singal appointed chief technology officer, effective September 12, 2022

#### **Fiscal Year 2023 Outlook:**

For full fiscal year 2023, the Company expects the following:

- Revenue to be between \$225 million and \$235 million
- U.S. GAAP Net income to be between \$1 million and \$5 million
- Adjusted EBITDA<sup>2</sup> to be between \$12 million and \$17 million
- Total Operating Cash Flow to be between \$10 million and \$15 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 the unattended retail market. Cantaloupe is transforming the unattended retail community 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, gas and 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](http://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.

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 reserves (iii) income tax expense (iv) depreciation (v) amortization (vi) stock-based compensation expense (vii) fees and charges 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 and (viii) certain other significant infrequent or unusual losses and gains that are not indicative of our core operations including asset impairment charges and gain on extinguishment of debt.

#### **Unaudited Results:**

As the audit of the 2022 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.

#### **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 the incurrence by Cantaloupe of any unanticipated or unusual non-operational expenses which would require us to divert our cash resources from achieving our business plan; the uncertainties associated with COVID-19, including its possible effects on Cantaloupe's operations, financial condition and the demand for Cantaloupe's products and services; the ability of Cantaloupe to predict or estimate its future quarterly or annual revenue and expenses given the developing and unpredictable market for its products; the ability of Cantaloupe to retain key customers from whom a significant portion of its revenues is derived; the ability of Cantaloupe to compete with its competitors to obtain market share; the ability of Cantaloupe to make available and successfully upgrade current customers to new standards and protocols; whether Cantaloupe's existing or anticipated customers purchase, rent or utilize ePort or Seed devices or our other products or services in the future at levels currently anticipated by Cantaloupe; the ability of Cantaloupe to execute on mergers, acquisitions and/or strategic alliances, including the timing and closing of acquisitions and our ability to integrate and operate such acquisitions consistent with our forecasts; disruptions to our systems, breaches in the security of transactions involving our products or services, or failure of our processing

systems; geopolitical conflicts, such as the ongoing conflict between Russia and Ukraine; our ability to timely file periodic reports with the U.S. Security and Exchange Commission; 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, 2022 and Quarterly Report on Form 10-Q for the periods ended September 30, 2021, December 31, 2021 and March 31, 2022. 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.

-F--CTLP

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**Investor Relations:**

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**Cantaloupe, Inc.**  
**Consolidated Balance Sheets**

(\$ in thousands, except per share data)	As of June 30,	
	2022 (Unaudited)	2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 68,125	\$ 88,136
Accounts receivable, net	37,695	27,470
Finance receivables, net	6,721	7,967
Inventory, net	19,754	5,292
Prepaid expenses and other current assets	4,285	2,414
<b>Total current assets</b>	<b>136,580</b>	<b>131,279</b>
Non-current assets:		
Finance receivables due after one year, net	14,727	11,632
Property and equipment, net	12,784	5,570
Operating lease assets	2,370	3,049
Intangibles, net	17,947	19,992
Goodwill	66,656	63,945
Other assets	4,568	2,205
<b>Total non-current assets</b>	<b>119,052</b>	<b>106,393</b>
<b>Total assets</b>	<b>\$ 255,632</b>	<b>\$ 237,672</b>
<b>Liabilities, convertible preferred stock and shareholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 48,440	\$ 36,775
Accrued expenses	28,154	26,460
Current obligations under long-term debt	692	675
Deferred revenue	1,893	1,763
<b>Total current liabilities</b>	<b>79,179</b>	<b>65,673</b>
Long-term liabilities:		
Deferred income taxes	186	179
Long-term debt, less current portion	13,930	13,644
Operating lease liabilities, non-current	2,366	3,645
<b>Total long-term liabilities</b>	<b>16,482</b>	<b>17,468</b>
<b>Total liabilities</b>	<b>\$ 95,661</b>	<b>\$ 83,141</b>
<b>Commitments and contingencies</b>		
<b>Convertible preferred stock:</b>		
Series A convertible preferred stock, 900,000 shares authorized, 445,063 issued and outstanding, with liquidation preferences of \$22,115 and \$21,447 at June 30, 2022 and 2021, respectively	3,138	3,138
<b>Shareholders' equity:</b>		
Preferred stock, no par value, 1,800,000 shares authorized	—	—
Common stock, no par value, 640,000,000 shares authorized, 71,188,053 and 71,258,047 shares issued and outstanding at June 30, 2022 and 2021, respectively	469,918	462,775
Accumulated deficit	(313,085)	(311,382)
<b>Total shareholders' equity</b>	<b>156,833</b>	<b>151,393</b>
<b>Total liabilities, convertible preferred stock and shareholders' equity</b>	<b>\$ 255,632</b>	<b>\$ 237,672</b>

**Cantaloupe, Inc.**  
**Consolidated Statements of Operations**

(\$ in thousands, except per share data)	Three months ended		Year ended	
	June 30,		June 30,	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021
<b>Revenues:</b>				
Subscription and transaction fees	\$ 44,895	\$ 38,234	\$ 168,850	\$ 139,242
Equipment sales	13,136	10,784	26,352	27,697
Total revenue	58,031	49,018	205,202	166,939
<b>Costs of sales:</b>				
Cost of subscription and transaction fees	27,158	23,202	103,392	83,617
Cost of equipment sales	13,743	11,034	37,615	29,296
Total costs of sales	40,901	34,236	141,007	112,913
Gross profit	17,130	17,782	64,195	54,026
<b>Operating expenses:</b>				
Sales and marketing	2,887	2,062	8,908	6,935
Technology and product development	5,174	4,513	21,877	15,935
General and administrative	8,796	7,677	30,519	35,754
Investigation, proxy solicitation and restatement expenses	1,196	—	1,196	—
Depreciation and amortization	1,156	996	4,352	4,107
Total operating expenses	19,209	15,249	66,852	62,731
Operating income (loss)	(2,079)	(467)	(2,657)	(8,705)
<b>Other income (expense):</b>				
Interest income	521	181	1,884	1,159
Interest expense	(424)	(43)	(524)	(4,013)
Other income (expense)	(137)	3,224	(220)	3,224
Total other income (expense), net	(40)	3,362	1,140	370
(Loss) gain before income taxes	(2,119)	2,895	(1,517)	(8,335)
Provision for income taxes	40	(237)	(186)	(370)
Net (loss) income	(2,079)	2,658	(1,703)	(8,705)
Preferred dividends	—	—	(668)	(668)
Net (loss) income applicable to common shares	\$ (2,079)	\$ 2,658	\$ (2,371)	\$ (9,373)
Net earnings (loss) per common share				
Basic and diluted	\$ (0.03)	\$ 0.04	\$ (0.03)	\$ (0.14)

**Cantaloupe, Inc.**  
**Consolidated Statements of Cash Flows**

(\$ in thousands)	Year ended June 30,		
	2022 (Unaudited)	2021	2020
<b>Cash flows from operating activities:</b>			
Net loss	\$ (1,703)	\$ (8,705)	\$ (40,595)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Stock-based compensation	6,248	9,075	3,029
Amortization of debt issuance costs and discounts	148	2,735	1,283
Reimbursement of shareholder proxy solicitation costs	—	—	4,500
Provision for expected losses	3,471	1,236	2,958
Provision for inventory reserve	(397)	693	681
Depreciation and amortization included in operating expenses	4,352	4,107	4,307
Depreciation included in cost of sales for rental equipment	973	1,405	2,710
Property and equipment write-off	—	1,658	—
Gain on extinguishment of debt	—	(3,065)	—
Operating lease right-of-use asset impairment	—	1,578	—
Other	686	1,104	2,103
Changes in operating assets and liabilities:			
Accounts receivable	(13,649)	(10,126)	1,818
Finance receivables	(1,884)	(1,877)	547
Inventory	(14,064)	3,142	1,463
Prepaid expenses and other assets	(4,262)	(847)	(563)
Accounts payable and accrued expenses	12,153	7,013	2,988
Operating lease liabilities	(907)	(1,014)	(1,384)
Deferred revenue	130	65	16
Net cash (used in) provided by operating activities	(8,705)	8,177	(14,139)
<b>Cash flows from investing activities:</b>			
Purchase of property and equipment	(9,260)	(1,838)	(2,538)
Cash paid for acquisition	(2,966)	—	—
Proceeds from sale of property and equipment	—	10	44
Net cash used in investing activities	(12,226)	(1,828)	(2,494)
<b>Cash flows from financing activities:</b>			
Proceeds from long-term debt issuance by Antara, net of issuance costs paid to Antara	—	—	14,248
Proceeds from equity issuance by Antara, net of issuance costs paid to Antara	—	—	17,879
Proceeds from PPP Loan	—	—	3,065
Payment of third-party debt issuance costs	(107)	—	(1,980)
Proceeds from long-term debt issuance by JPMorgan Chase Bank, N.A., net of debt issuance costs	738	14,550	—
Repayment of long-term debt	(605)	(15,744)	(2,522)
Proceeds from (repayments of) Revolving Credit Facility	—	—	(10,000)
Proceeds from private placement	—	55,008	—
Payment of equity issuance costs	—	(2,618)	—
Payment of Antara prepayment penalty and commitment termination fee	—	(1,200)	—
Proceeds from exercise of common stock options	894	78	192
Net cash provided by financing activities	920	50,074	20,882
Net increase (decrease) in cash and cash equivalents	(20,011)	56,423	4,249
Cash and cash equivalents at beginning of year	88,136	31,713	27,464
Cash and cash equivalents at end of year	\$ 68,125	\$ 88,136	\$ 31,713
<i>Supplemental disclosures of cash flow information:</i>			
Interest paid in cash	\$ 755	\$ 1,055	\$ 1,314

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

(\$ in thousands)	Year ended June 30,	
	2022	2021
Net loss	\$ (1,703)	\$ (8,705)
Less: interest income	(1,884)	(1,159)
Plus: interest expense	524	4,013
Plus: income tax provision	186	370
Plus: depreciation expense included in cost of sales for rentals	973	1,404
Plus: depreciation and amortization expense in operating expenses	4,352	4,107
EBITDA	<u>2,448</u>	<u>30</u>
Plus: stock-based compensation <sup>(a)</sup>	6,248	9,075
Plus: investigation, proxy solicitation and restatement expenses <sup>(b)</sup>	1,196	—
Plus: asset impairment charge <sup>(c)</sup>	—	1,578
Less: gain on extinguishment of debt <sup>(d)</sup>	—	(3,065)
Adjusted EBITDA	<u>\$ 9,892</u>	<u>\$ 7,618</u>

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

(b) As an adjustment to EBITDA, we have excluded the fees incurred in connection with the costs and expenses related to the 2019 Investigation, financial statement restatement activities, and proxy solicitation costs because we believe that they represent charges that are not related to our core operations.

(c) 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.

(d) As an adjustment to EBITDA, we have excluded the one-time gain related to the forgiveness of our PPP loan.

(\$ in thousands)	Three months ended June 30,	
	2022	2021
U.S. GAAP net (loss) income	\$ (2,079)	\$ 2,658
Less: interest income	(521)	(181)
Plus: interest expense	424	43
Plus: income tax provision	(40)	237
Plus: depreciation expense included in cost of sales for rentals	235	349
Plus: depreciation and amortization expense in operating expenses	1,156	996
EBITDA	<u>(825)</u>	<u>4,102</u>
Plus: stock-based compensation <sup>(a)</sup>	1,623	2,709
Plus: investigation, proxy solicitation and restatement expenses <sup>(b)</sup>	1,196	—
Plus: asset impairment charge <sup>(c)</sup>	—	1,245
Less: gain on extinguishment of debt <sup>(d)</sup>	—	(3,065)
Adjusted EBITDA	<u>\$ 1,994</u>	<u>\$ 4,991</u>

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

(b) As an adjustment to EBITDA, we have excluded the fees incurred in connection with the costs and expenses related to the 2019 Investigation, financial statement restatement activities, and proxy solicitation costs because we believe that they represent charges that are not related to our core operations.

(c) 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.

(d) As an adjustment to EBITDA, we have excluded the one-time gain related to the forgiveness of our PPP loan.