

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

Date of Report (Date of earliest event reported)
October 7, 2021

ALLIED HEALTHCARE PRODUCTS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-19266
(Commission
File Number)

25-1370721
(IRS Employer
Identification No.)

1720 Sublette Avenue, St. Louis, Missouri
(Address of principal executive offices)

63110
(Zip Code)

Registrant's telephone number, including area code
(314) 771-2400

Not applicable

(Former name or former address, if changed since last report)

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

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

Title of Each Class
Common Stock, \$.01

Trading Symbol
AHPI

Name of Each Exchange on Which Registered
The NASDAQ Stock Market, LLC

Item 1.01 Entry into a Material Definitive Agreement.

As previously reported, the Company is party to a Loan and Security Agreement with North Mill Capital, LLC (“North Mill”), as successor in interest to Summit Financial Resources, L.P., dated effective February 27, 2017, as amended April 16, 2018, April 24, 2019 and December 18, 2020 (as amended, the “Credit Agreement”). The Company’s obligations under the Credit Facility are secured by all of the Company’s personal property, both tangible and intangible, pursuant to the terms and subject to the conditions set forth in the Credit Agreement. Availability of funds under the Credit Agreement is based on the Company’s accounts receivable and inventory but will not exceed \$4,000,000.

Effective October 7, 2021, the Company and North Mill amended the Credit Agreement to increase the availability under the loan based on inventory. Under the amendment, minimum availability under the loan based on inventory shall be the lowest of: (i) the total cost eligible inventory multiplied by the advance rate; (ii) one hundred percent (100%) of the current availability provided by eligible accounts receivable; (iii) two million dollars (\$2,000,000), an increase from the prior amount of \$1,000,000. The inventory advance rate remains at 25%. This increase in borrowing capacity will allow the Company to increase its borrowing under the Credit Agreement to meet its working capital needs, not to exceed the \$4,000,000 maximum which remains unchanged.

The minimum monthly payment will remain .25% (25 basis points) on the maximum availability (\$10,000 per month). In the event the Company prepays or terminates the Credit Facility prior to February 27, 2022, the Company will be obligated to pay an amount equal to the minimum monthly payment multiplied by the number of months remaining between February 27, 2022 and the date of such prepayment or termination. The maturity remains February 27, 2023, at which time all amounts outstanding will be due and payable. Total availability under the credit agreement remains at \$4,000,000.

The foregoing summary of the Credit Agreement is qualified in its entirety by reference to the Fourth Amendment to Loan and Security Agreement, a copy of which is filed herewith as Exhibit 99.1, and incorporated by reference herein.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information related to the Credit Agreement discussed under Item 1.01 set forth above is hereby incorporated by reference under this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

Exhibit

Number Description

[99.1](#) [Fourth Amendment to Loan and Security Agreement, dated October 7, 2021, by and between the Allied Healthcare Products, Inc. and North Mill Capital, LLC.](#)

SIGNATURES

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

ALLIED HEALTHCARE PRODUCTS, INC.

Date: October 13, 2021

By: /s/ Daniel C. Dunn

Daniel C. Dunn

Chief Financial Officer

Fourth Amendment to Loan and Security Agreement

This Fourth Amendment to Loan and Security Agreement (the "Amendment") is made and entered into by and between SUMMIT FINANCIAL RESOURCES, LLC, a Delaware limited liability company and the successor in interest to SUMMIT FINANCIAL RESOURCES, L.P., a Hawaii limited partnership ("Lender"), and ALLIED HEALTHCARE PRODUCTS, INC., a Delaware corporation ("Borrower").

Recitals

A. Lender's predecessor in interest and Borrower have entered into a Loan and Security Agreement dated February 27, 2017 (together with any and all exhibits, schedules, addenda or riders hereto, as amended, modified, supplemented, substituted, extended or renewed from time to time, the "Loan and Security Agreement").

B. Lender and Borrower have agreed to further amend the Loan and Security Agreement to increase the dollar sublimit amount with respect to Inventory Advances.

Amendment

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower agree as follows:

1. Definitions. Except as otherwise expressly provided herein, terms assigned defined meanings in the Loan and Security Agreement shall have the same defined meanings in this Amendment. The term "Amendment," as defined in the preamble to this Amendment, is incorporated by reference into the Loan and Security Agreement

2. Modification and Amendment of Loan and Security Agreement. Effective as of the date of this Amendment, the Loan and Security Agreement is amended and modified as follows:

· The first paragraph of subsection (b) (Inventory Advances) of Section 2.6 (Inventory Advances) of the Loan and Security Agreement is hereby amended to increase the dollar sublimit as follows:

"b. Inventory Advances. Notwithstanding anything to the contrary in the Loan Documents, no Inventory Advances shall be made on the Loan if, after making the requested Inventory Advance, the total, aggregate principal amount of all Inventory Advances will exceed the lowest of: (i) the total cost of Eligible Inventory (as determined by Lender in its sole discretion) multiplied by the Inventory Advance Rate; (ii) one hundred percent (100%) of the amount of outstanding Account Advances; (iii) Two Million Dollars (\$2,000,000); and (iv) together with the aggregate amount of all outstanding Account Advances, the Maximum Loan Amount."

· In consideration of Lender's agreement to increase the dollar sublimit on Inventory Advances, Borrower agrees to pay to the Lender a modification fee of Five Thousand Dollars (\$5,000) (the "Modification Fee") on the date hereof. The Modification Fee shall include the legal fees of Lender's in-house counsel to prepare this Amendment.

3. Representations and Warranties. Borrower affirms and again makes the representations and warranties set forth in Section 6 (Representations and Warranties) of the Loan and Security Agreement as of the date of this Amendment.

4. Payment of Expenses and Attorneys' Fees. Borrower shall pay all reasonable expenses of Lender related to the negotiation, drafting of documents, and documentation of this Amendment, including, without limitation, the Modification Fee (which shall include all reasonable attorneys' fees and legal expenses, including allocated fees of in-house counsel, in connection with the drafting and revising this Amendment). Lender is authorized and directed to disburse a sufficient amount of funds under the Loan to pay these expenses in full.

5. Loan Documents Remain in Full Force and Effect. Except as expressly amended or modified by this Amendment, the Loan Documents remain in full force and effect. Borrower confirms that the security interests granted by the Loan Documents also secure the Loan and Security Agreement as amended by this Amendment.

6. Borrower Covenants. Borrower covenants with Lender that Borrower shall execute, deliver, and provide to Lender such additional agreements, documents, and instruments as reasonably required by Lender to effectuate the intent of this Amendment.

7. Release. Borrower and its successors and assigns hereby fully, finally, and forever release and discharge Lender and its successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits of whatever kind or nature, in law or in equity, that Borrower has or in the future may have, whether known or unknown, in respect of the Loan Documents, the Loan, or the actions or omissions of Lender in respect to the Loan Documents or the Loan and arising from events occurring prior to the date hereof.

8. Authorization. Borrower represents and warrants that the execution, delivery, and performance by Borrower of this Amendment, and all agreements, documents, obligations, and transactions herein contemplated, have been duly authorized by all necessary corporate action on the part of Borrower and are not inconsistent with Borrower's organizational documents or any resolution of the board of directors, members, managers, or other governing body of Borrower and do not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract, or other instrument to which Borrower is a party or by which it is bound, and that upon execution and delivery hereof and thereof, this Amendment will constitute legal, valid, and binding agreements and obligations of Borrower, enforceable in accordance with its respective terms.

9. Integrated Agreement; Amendment. This Amendment, together with the Loan and Security Agreement and the other Loan Documents, constitute the entire agreement and understanding between the parties hereto and supersede all other prior and contemporaneous agreements. This Amendment and the Loan and Security Agreement shall be read and interpreted together as one agreement and shall be governed by and construed in accordance with the laws of the State of Utah without regard to its conflict of laws principles. This Amendment shall be deemed to have been executed by the parties hereto in the State of Utah and may not be altered or amended except by written agreement signed by Lender and Borrower. All other prior and contemporaneous agreements, arrangements, and understandings between the parties hereto as to the subject matter hereof are, except as otherwise expressly provided herein, rescinded.

Borrower acknowledges and agrees that this Amendment is a final expression of the agreement between Lender and Borrower and this Amendment may not be contradicted by evidence of any alleged oral agreement.

[Signatures on Next Page]

Dated: October 7, 2021.

SUMMIT FINANCIAL RESOURCES, LLC

By: /s/ Rochelle Hilson
Name: Rochelle Hilson
Title: Senior Vice President

ALLIED HEALTHCARE PRODUCTS, INC.

By: /s/ Daniel C. Dunn
Name: Daniel C. Dunn
Title: Vice President of Finance