

USA Technologies Adds Secure Card Tokenization with Latest Network Upgrade of ePort Connect

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Upgrades Highlight Value-Added Cashless Payment Services for Self-Serve Retail

MALVERN, Pa.--(BUSINESS WIRE)-- <u>USA Technologies</u>, <u>Inc.</u> (NASDAQ: USAT), ("USAT"), today announced another wave of enhancements to its market-leading ePort Connect service that expand and strengthen its menu of value-added cashless payment, telemetry and consumer engagement services designed for self-serve retailing industries such as vending, amusement and arcade, commercial laundry and kiosk.

The upgrade, available to customers as of February 28, includes special enhancements such as secure card tokenization, new capabilities designed to optimize USAT's loyalty and prepaid program, *MORE*., in micro-market environments and new operational tools designed to provide customers additional real-time data about the status of their connected devices. Information regarding some of the latest enhancements to ePort Connect® follows.

Security

Tokenization is a process by which the primary account number (PAN) of a credit or debit card is replaced with a surrogate value—called a token. Using tokenization, critical credit card data is tokenized upon transaction, giving each consumer's card data a unique numeric identifier. Tokenization has become recognized as an effective way to increase security of credit card transactions. For example, in a February, 2014 statement before the U.S. House of Representatives' Energy and Commerce Committee, Subcommittee on Commerce, Manufacturing and Trade, Bob Russo, General Manager of the Payment Card Industry Security Standards Council, noted: "Tokenization and point-to-point encryption remove or render payment card information useless to cyber criminals, and work in concert with other PCI Standards to offer additional protection to payment card data."

Stephen P. Herbert, chairman and chief executive officer of USAT, commented, "We want our customers to know that best-in-class security measures are always top of mind as we continue to innovate our ePort Connect service platform. For our vending, kiosk and mobile customers, tokenization adds another level of security beyond the combination of PCI compliance, USAT's end-to-end encryption and other levels of security USAT takes to protect the interests of our customers and their consumers."

Consumer Engagement Services

- **Tokenization:** In addition to the added security benefits, tokenization, gives USAT customers broad-based insight into each consumer's buying patterns. USAT customers can use the activity associated with 'token' identifiers to track certain consumer trends, such as range and frequency of certain consumers' purchases.
- MORE. USAT's loyalty and prepaid program: New enhancements provide the ability to link multiple MORE. cards to
 one replenishment account; new options that can accelerate the transfer of replenishment funds to operators, for improved
 cash flow; and, the ability to schedule recurring marketing campaigns by day of week and time of day.
- MORE. in a micro-market environment: Using USAT's QuickConnect service integration capabilities, USAT-certified
 micro-market partners can now also support USAT's MORE. program, including the ability to replenish a user's MORE.
 card with cash or credit at the micro-market kiosk.
- Mobile payment and Isis promotion: For USAT customers with enabled Isis SmartTap® technology for contactless payments, loyalty and rewards, new reporting tools now allow for tracking of your "Fifth Purchase Free" promotion award dollars.

Operational Data and Reporting

- Changes in data structure now allow USAT customers to build and retrieve reports in minimal time. And, new shortcuts have been added for even faster access to reports.
- Enhanced "status reporting" makes it even easier for USAT customers to monitor the latest cash and cashless activity on each machine, the timing of DEX file transfers, "last call ins," and other status measures so operators can better prioritize workflow and optimize their cashless installations.
- New on-line credit card acceptance now enables customers to pay for USAT products and services through their web
 portal at USALive. In addition, automated electronic fund transfer (EFT) enhancements improve the timing of payments by
 USAT to customers on settlement.

"This latest wave of enhancements to our ePort Connect service is a great example of USAT's distinctive, in-house system architecture that provides the added control and design agility indicative of a "one-stop shop," said Cary Sagady, USAT's senior vice president of product management and network services. "By controlling key network activity during and after the time of sale, we are able to simplify cashless adoption for our customers while also providing them with ongoing value-added features. From security, loyalty programs, data tools and machine to machine integration capabilities, we believe that we are giving our customers the competitive edge they seek."

To speak with a USAT sales representative, call 1-800-633-0860. USAT customers should email <u>schedulemytraining@usalive.com</u> for more information regarding webinar times and dates.

About USA Technologies:

USA Technologies is a leader of wireless, cashless payment and M2M telemetry solutions for small-ticket, self-serve retailing industries. ePort Connect® is the company's flagship service platform, a PCI-compliant, end-to-end suite of cashless payment and telemetry services specially tailored to fit the needs of small ticket, self-service retailing industries. USA Technologies also provides a broad line of cashless acceptance technologies including its NFC-ready ePort® G-series, ePort Mobile™ for customers on the go, and QuickConnect, an API Web service for developersUSA Technologies has been granted 87 patents; and has agreements with Verizon, Visa, Elavon and customers such as Compass, Crane, AMI Entertainment and others. Visit the website at www.usatech.com.

Forward-looking Statements:

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: All statements other than statements of historical fact included in this release, including without limitation, the business strategy and the plans and objectives of USAT's management for future operations, are forward-looking statements. When used in this release, words such as "anticipate", "believe", "estimate", "expect", "intend", and similar expressions, as they relate to USAT or its management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of USAT's management, as well as assumptions made by and information currently available to USAT'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, business, financial market and economic conditions; whether new security features, such as tokenization, provide adequate protection to customers and their consumers against unauthorized disclosure of cardholder or other user data and/or credit and debit card fraud; whether, and to what extent, enhancements to USAT's ePort Connect service, including tokenization, *MORE*., status reporting, and availability of EFT payments to customers, will result in additional value and increased competitiveness for customers; and USAT's ability to accurately predict future market conditions, consumer behavior and levels of cashless usage. 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, USAT does not undertake to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

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