



## USA Technologies Comments on Extension Request of Form 10-K

September 30, 2015

MALVERN, Pa.--(BUSINESS WIRE)-- USA Technologies, Inc. (NASDAQ:USAT) ("USAT"), a leader of wireless, cashless payment and M2M/IoT solutions for small-ticket, self-serve retailing industries, announced that it anticipates filing its 10-K for the year ended June 30, 2015 on October 1, 2015. On September 29, 2015, it filed for an extension because the company determined that it was not able to file its Annual Report on Form 10-K for the fiscal year ended June 30, 2015 (the "Form 10-K") within the prescribed time period without unreasonable effort or expense.

The change disclosed in its 10-K extension filing yesterday only impacts the financial results for the year and quarter ended June 30, 2015 which were included in the press release of September 10, 2015. It does not alter revenue or connection data for fiscal 2015. A summary of the changes are shown in the table below:

	<b>Three Months Ended June 30, 2015</b>	
	<b>Adjusted</b>	<b>September 10, 2015 Earnings Release</b>
Revenues	\$17,646,195	\$ 17,646,195
Operating income (loss)	\$ (356,512)	\$ 93,488
Net income (loss)	\$ (201,001)	\$ 68,999
Net loss per common share - diluted	\$ (0.01)	\$ (0.01)
Net new connections	31,000	31,000
Connections as of June 30, 2015	333,000	333,000

	<b>Year Ended June 30, 2015</b>	
	<b>Adjusted</b>	<b>September 10, 2015 Earnings Release</b>
Revenues	\$58,077,474	\$ 58,077,474
Operating income (loss)	\$ (240,303)	\$ 209,697
Net loss	\$ (1,089,482)	\$ (819,482)
Net loss per common share - diluted	\$ (0.05)	\$ (0.04)
Net new connections	67,000	67,000
Connections as of June 30, 2015	333,000	333,000

Today the company reaffirmed that for fiscal 2016, it expects to add more than 75,000 net new connections and expects total revenue to be between \$69 million and \$71 million.

The extension request is attributable to a process the company's management undertook to assess the effectiveness of its disclosure controls and procedures and internal control over financial reporting as of June 30, 2015. Based on its assessment, management identified deficiencies in both the design and operating effectiveness of the company's internal control over financial reporting, which when aggregated represent a material weakness in internal control.

The most significant of these was the process over the reconciliation, analysis and management oversight of certain customer accounts receivable balances related to customer processing and service fees. The procedure in place did not identify a large number of small balance accounts that may be uncollectible and were not appropriately dispositioned, collected, remediated, reserved for and/or written-off.

## About USA Technologies

USA Technologies is a leader of wireless, cashless payment and M2M telemetry 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 ePortG-series, ePort Mobile™ for customers on the go, and QuickConnect, an API Web service for developers. USA Technologies has been granted 87 patents; and has agreements with Verizon, Visa, Chase Paymentech and customers such as Compass, AMI Entertainment and others. Visit the website at [www.usatech.com](http://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 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, the ability of management to accurately predict or forecast future financial results, including revenues, earnings or taxable income of USAT; the incurrence by us of any unanticipated or unusual non-operational expenses which would require us to divert our cash resources from achieving our business plan; the ability of USAT to retain key customers from whom a significant portion of its revenues is derived; the ability of USAT to compete with its competitors to obtain market share; whether USAT's customers continue to utilize USAT's transaction processing and related services, as our customer agreements are generally cancelable by the customer on thirty to sixty days' notice; the ability of USAT to raise funds in the future through the sales of securities or debt financings in order to sustain its operations if an unexpected or unusual non-operational event would occur; the ability to prevent a security breach of our systems or services or third party services or systems utilized by us; whether any patents issued to USAT will provide USAT with any competitive advantages or adequate protection for its products, or would be challenged, invalidated or circumvented by others; the ability of USAT to operate without infringing the proprietary rights of others; whether USAT would be able to sell sufficient ePort hardware to third party leasing companies as part of the QuickStart program in order to significantly increase cash flows from operations; whether USAT's existing or anticipated customers purchase, rent or utilize ePort devices or our other products or services in the future at levels currently anticipated by USAT; possible delays in the filing of our Form 10-K within the extension period of 15 calendar days provided under Rule 12b-25 of the Exchange Act; the risk that the completion and filing of the Form 10-K will take longer than expected; and the risk that the Company's remediation plan will be unsuccessful or take longer than anticipated by management. 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.

F-USAT

View source version on [businesswire.com](http://www.businesswire.com): <http://www.businesswire.com/news/home/20150930006753/en/>

Investor Contact:

The Blueshirt Group

Mike Bishop, +1-415-217-4968

[mike@blueshirtgroup.com](mailto:mike@blueshirtgroup.com)

Source: USA Technologies, Inc.

News Provided by Acquire Media