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Canteen of Coastal California Expands Relationship with USAT Through Exclusive, Strategic, Multi-year Agreement

October 14, 2015

Growing Consumer Demand for Cashless Payments Accelerates Cashless Tech Adoption

MALVERN, Pa.--(BUSINESS WIRE)-- [USA Technologies, Inc.](http://www.usatech.com) (NASDAQ:USAT), a leader of wireless, cashless payment and M2M/IoT solutions for small-ticket, self-serve retailing industries, announced today another multi-year, strategic agreement for its ePort Connect® suite of cashless payment solutions and services with Canteen of Coastal California. The addition underscores increasing demand for USA Technologies' ePort Connect Service as yet another company joins the ranks of USAT customers connecting 100 percent of their business for cashless payments and telemetry. The agreement resulted in 2,800 additional connections to USAT's ePort cashless technology solution and includes hardware, deployment support, co-marketing and installation assistance.

"We were experiencing a well-defined shift in customer behavior, away from paying with cash, to using credit and debit cards or mobile payments to make everyday purchases. It was obvious to us that we either needed to make a change or be forced to lose customers," said Jerry Scott, VP and General Manager of Canteen of Coastal California, "USAT came to us with a comprehensive, tailored solution like no one else in the market - from hardware to installation to marketing support. This is a big step for us, and they made sure we did it in a way that showed fast results and ROI."

USAT is working with Canteen of Coastal California to deploy the ePorts, and Canteen Coastal has connected over 1,600 of the total 2,800 units previously shipped by USAT. Initial results already show a 34 percent cashless usage on machines connected to the ePort Connect Service and that the average ticket from cashless sales of \$1.74 is 43 percent higher than the average ticket from cash sales of \$1.21.

"Canteen Coastal is part of a growing list of vending operators realizing that USAT's technology and services can help increase sales and revenue at existing machines, and have committed to putting 100 percent of their machines on our service to realize the positive impact immediately," said Cecil Ledesma, vice president of Regional Sales for USA Technologies. "Our goal is to offer our customers a full package solution with the most innovative technology and comprehensive customer support. That way, they can accelerate their cashless trajectory with confidence and quickly reap the benefits of cashless."

According to the Company's 2015 Knowledge Base Study of 100,000 top performing machines, average annual cashless sales were up 28 percent from \$2,719 as of May 2014 to \$3,477 as of May 2015. In addition, to the study shows a 32 percent higher average ticket when consumers make purchases using a cashless payment method at a USAT ePort. For example, \$1.21 when buying with cash, compared to \$1.60 when paying with a cashless method.

The announcement regarding Canteen of Coastal California follows a series of [recent agreements](#), including Wilmore Snack Sales, M&M Sales Company and Southern Refreshment Services, and underscores the industry's continued momentum toward cashless payment systems. The Company also recently announced the addition of 31,000 net new connections to its ePort service and 675 new customers in Q4 of FY 2015. The Company had 333,000 machines connected through its ePort Connect Service as of June 30, 2015, an increase of 25 percent from June 30, 2014. USAT believes the increase in strategic agreements such as the one with Canteen Coastal represents another inflection point in the adoption of cashless.

Useful Links:

USA Technologies: <https://usatech.com/>

Twitter: https://twitter.com/usa_tech

YouTube: <https://www.youtube.com/watch?v=OR-WnaPDAd4>

Resource Center: <https://usatech.com/resource-center/the-benefits>

Sales and Partnership Inquiries:

Please contact USA Technologies, Inc. at +1 800.633.0340 or sales@usatech.com.

About ePort Connect®:

USAT's ePort Connect service is a PCI-compliant suite of cashless payment and telemetry services specially tailored to fit the needs of self-serve retail industries. Designed to be a "one-stop shop," services offered through ePort Connect include wireless and merchant account setup, simplified processing rates, settlement and reconciliation, 24 x 7 customer service and a host of value-added services including mobile payment, loyalty programs and integrated payment services for micro-markets and other POS devices.

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 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, 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; the possibility that a customer would fail to or delay deploying cashless technologies in all of their point of sale locations; whether our suppliers would increase their prices, reduce their output or change their terms of sale which could, among other things, reduce the number of connections; 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 extent to which USAT's 2015 Cashless Knowledge Base or the higher average ticket price of credit vends experienced by Canteen Coastal compared to cash vends is predictive of future market conditions, customer and consumer behavior, average ticket prices and cashless sales across all of USAT's customer locations; the possibility that all of the expected benefits from adoption of cashless payment will not be realized by all vending operators, or will not be realized within the expected time period; and the ability of USAT to accurately predict future market conditions and customer behavior. 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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