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Consumers Respond to Apple Pay Messaging with More Payments

June 16, 2016

MALVERN, Pa. - JUNE 16, 2016 - [USA Technologies, Inc.](http://www.usatech.com) (NASDAQ:USAT) ("USAT"), a payment technology provider of cashless and mobile transactions in self-serve retail, today announced the results of a study testing whether targeted point-of-sale advertising of Apple Pay acceptance would increase usage of mobile payments by consumers. According to early results, USAT believes that smartphone users shown digital advertising at point-of-sale through the ePort Interactive platform are more apt to pull out their iPhone to make a purchase, and even spend more during the transaction.

Initial findings by USAT show targeted, digital advertising on USAT's ePort Interactive highlighting Apple Pay availability at point-of-sale resulted in a:

- 26% increase in overall transactions;
- 22% increase in total revenue;
- 12% increase in total contactless average ticket; and
- 89% increase in revenue through contactless purchases, including Apple Pay

USA Technologies began implementing NFC technology into its cashless payments solution approximately 10 years ago and by January 2015, was able to provide Apple Pay users with 200,000 places to use their wallets shortly after Apple Pay launched in October 2014. As of June 1, 2016, USAT now provides consumers with the option to make payments using their mobile wallet including Apple Pay at more than 300,000 NFC-equipped machines nationwide, such as vending, single-serve coffee, laundry and parking pay machines. As part of the study initiated in March 2016, USAT rolled out digital advertising through its ePort Interactive platform and digital touch-screen cashless device focusing on Apple Pay on 35 select machines in specific urban locations with a high density of iPhone users.

"Whether an ad at point-of-sale serves as a simple reminder that a consumer can use Apple Pay to make a purchase, or educates and informs them of how easy, secure and private the mobile payments service is, consumers are responding positively as they buy more and spend more, more often," said Maeve McKenna Duska, senior vice president of marketing and sales, USA Technologies. "Recent research shows that consumers are becoming more accustomed to using their phones to make payments, particularly to make smaller purchases where, we believe, speed and convenience is often a top priority. We believe the unattended markets we serve will continue to drive Apple Pay use - and that consumer awareness campaigns at the point-of-sale are key to accelerating adoption even further."

A recent [study](#) by Auriemma Consulting Group found that 70% of Apple Pay users say they are more likely to choose a store that accepts Apple Pay. In addition, one in five smartphone users are predicted to use mobile payments by next year, with the total value of mobile payment transactions expected to grow 210% in 2016 according to [eMarketer](#).

"Cracking the code on consumer engagement is critical for retailers, and self-serve retailers are no exception," said Tom Murn, chief executive officer, The Answer Group, one of the country's largest vending companies whose machines were part of the study. "We are thrilled with the results so far, as it shows that consumers are not only open to receiving digital advertising at our machines, but are also being influenced by the information we are providing to them. As Apple Pay's footprint continues to grow and more retailers offer mobile payment options at point-of-sale, the expectation will soon be that we accept Apple Pay and other mobile wallets on every machine. By integrating digital advertising and other consumer engagement initiatives, retailers will be able to move beyond the transaction and be ready and able to benefit as consumers enjoy the best user experience."

As part of the test and learn, USAT leveraged equipment installations that currently displayed traditional, printed Apple Pay decals and ePort G series devices, swapping the POS hardware with digital touch-screen hardware connected to its Interactive platform. The test devices were preloaded with an assortment of five different marketing messages promoting Apple Pay usage. The test was conducted in New York City and Lafayette, Louisiana. More cities are slated for study in months to come.

Useful Links:

USA Technologies: <https://www.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>

Apple Pay: <http://www.apple.com/apple-pay/>

Sales and Partnership Inquiries:

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

About ePort Interactive:

The ePort® Interactive is the industry's most advanced cloud-based interactive media and content delivery management system. It enables the delivery of nutritional information, remote refunds, loyalty programs, and robust, multimedia-marketing campaigns for the unattended and self-serve retail markets. The platform offers PCI DSS compliant security, and supports traditional magnetic stripe credit and debit cards, as well as NFC (Mobile Wallet) payments including Apple Pay and Android Pay.

About USA Technologies:

USA Technologies, Inc. is a premier payment technology service provider of integrated cashless and mobile transactions in the self-service retail market. The company also provides a broad line of cashless acceptance technologies including The ePort® Interactive, which is the industry's most advanced cloud-based interactive media

and content delivery management system, as well as its NFC- ready ePort® G-series, ePort Mobile™ for customers on the go, and QuickConnect, an API Web service for developers. USA Technologies has 78 United States and foreign patents in force; and has agreements with Verizon, Visa, Chase Paymentech and customers such as Compass, 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, the ability of USAT to predict future market conditions and consumer behavior; whether digital advertising highlighting Apple Pay would result in increases in overall transactions, revenue and/or average ticket at all or any particular locations; the ability of USAT to operate without infringing or violating the intellectual property rights of others; and whether the ePort Interactive platform will encourage consumer loyalty and drive recurring or incremental sales or accelerate adoption. 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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Media Contact:

ANW Networks

Alicia V. Nieva-Woodgate, +1-415-515-0866

alicia@anwnetworks.com

Melissa Hourigan, +1 720-872-8807

melissa@anwnetworks.com

Or

Investor Contact:

The Blueshirt Group

Lauren Sloane, +1-415-217-2632

lauren@blueshirtgroup.com