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USA Technologies and Setomatic Systems See Strong Growth in Cashless Payments for Self-Serve Laundry Locations

June 5, 2017

Setomatics SpyderWash Devices With Mobile Wallet Acceptance Now Searchable Online; Company Launches New SpyderWash App Showing Washer/Dryer Availability, Transaction History and Loyalty Card Balances

Company To Demonstrate Technology at Clean Show, Booth #1977

LAS VEGAS--(BUSINESS WIRE)-- **THE CLEAN SHOW -- USA Technologies, Inc.** (NASDAQ:USAT) ("USAT"), a payment technology provider of cashless and mobile transactions in self-serve retail, and Setomatic Systems (owner of the SpyderWash laundry payment platform), a designer and manufacturer of cashless payment hardware and data services designed specifically for the laundry industry, today announced a new industry benchmark with regards to the growth of contactless payments in the self serve laundry business, the transaction value of which more than doubled over the past year. In 2013, Setomatic Systems and USAT entered into a strategic partnership to provide customers with comprehensive cashless payment services.

The self service laundry industry is estimated by the Coin Laundry Association to be a nearly \$5 billion market, which in 2016 saw an average increase in business (gross dollar volume) of 11.2 percent, up from 9.6 percent in 2015¹, according to an online poll of subscribers of the American Coin-Op magazine who operate stores. Between April 2016 and April 2017, Setomatic saw a 150 percent increase in the amount of contactless payments for laundry services. The company connected its SpyderWash® technology to the ePort Connect service, allowing its customers to leverage one of the most comprehensive cashless payment services solutions in the unattended retail market. In turn, this gave consumers a choice of paying by credit card or using their mobile wallets.

"We recognized early on that cashless, then subsequently contactless, payments would become mainstream as consumers gained a level of comfort opting to pay using their mobile phones or even a smartwatch, so we started developing our systems to accommodate back when the World Wide Web was just starting to get traction - and that is how we came up with SpyderWash," said Michael Schantz, President, Setomatic Systems. "With vend prices on washers in the range of \$2.00 to \$14.00 per wash cycle, it has become more important than ever to offer consumers the convenience of paying at the point of sale in a fast, simple and convenient way whether it is with a simple swipe of their credit card or mobile phone using a Mobile Wallet like Apple Pay, Android Pay or Samsung Pay. Our SpyderWash System combined with USA Technologies' powerful ePort Connect platform gives our customers a soup to nuts service that enables credit/debit, contactless mobile payment processing, loyalty and more."

Acknowledged by Coin Laundry Association's magazine, *Planet Laundry*, as a company that is "changing the way people pay for their laundry," Setomatic Systems was the first in the industry to offer hybrid payment systems, allowing machines to accept coin, credit or debit cards, RFID contactless credit cards, or NFC enabled mobile wallets, as well as customized loyalty programs, and currently, Setomatic Systems is the only provider in the market whose laundry payment devices accept NFC payments right at the point of sale.

Continuing the tradition of innovation, the company now makes it possible for consumers to manage their loyalty card balance, view transaction history, and check on which SpyderWash washers and dryers are available in their local laundry, via the newly launched SpyderWash App for both iOS and Android devices. In addition, customers who are iPhone users can now search for the nearest laundromats accepting Apple Pay via Apple Maps.

"Many new laundry facilities are utilizing "smart card" technology which requires the customers to put money on a card that they then swipe when they use a machine, but Setomatic Systems has bucked the trend by embracing a consumer first strategy that is reflected in what we believe to be the most advanced payment technology on the market," said Maeve McKenna Duska, senior vice president of sales and marketing, USA Technologies. "The days of begging for quarters, and waiting for washers and dryers to become available are over. By offering consumers the ability to monitor the availability of a washer and dryer as well as enabling them to pay at the point of sale with whatever they keep top of wallet, creates convenience and fosters the adoption of technology, loyalty programs and much more, particularly useful amongst Millennials."

Attendees of the [Clean Show](#) are invited to visit booth #1977 to learn more about cashless payment technologies for laundry operators, and get a demo of the new Apple and Android Apps for SpyderWash.

Useful Links:

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

Twitter: https://twitter.com/usa_tech

YouTube: <https://www.youtube.com/user/USATechnologies>

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 Setomatic Systems/SpyderWash:

Setomatic Systems is a privately owned and operated developer and manufacturer of both open and closed loop card payment systems, drop coin meters and electronic timers for the commercial laundry industry with manufacturing and engineering facilities in California, Florida, New Hampshire, New York and in Israel. Setomatic introduced the first electronic drop coin meter to the commercial laundry market in the U.S. in the early 1980's. Over the years, they have manufactured drop coin meters and electronic timers for major OEMs such as Whirlpool, General Electric, Wascomat and American Dryer. They introduced their first hybrid card system to

the commercial laundry market in 1995, which allowed the operator to accept smart cards, credit/debit cards and coins on the same machine. Their follow-up product, SpyderWash® was developed to satisfy the consumers' need to pay for their wash and dry with a simple swipe or tap of their credit/debit card or mobile wallet, while giving the operator all the advantages of full web-based reporting. To learn more, visit their website at www.setomaticsystems.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, 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 its NFC-ready ePort® G-series, ePort® Connect, ePort® Interactive, QuickConnect, an API Web service for developers, and *MORE.*, a customizable loyalty program. USA Technologies has 77 United States and foreign patents in force; and has agreements with Verizon, Visa, Chase Paymentech and customers such as Compass, AMI Entertainment and others. For more information, please 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; the ability of USAT to rely on third party sources regarding increases in the size of the self-service laundry industry; the possibility that all of the expected benefits and efficiencies from the combined solution offered by USAT and Setomatic Systems will not be realized by all laundry operators and on all laundry machines or within the expected time period; whether, and the extent to which, USAT's cashless services would increase sales for its customers; and the reliability and accuracy of the apps launched by Setomatic Systems. 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.

¹ 2016-2017 State of the Self-Service Laundry Industry (Part 1), American Coin-Op, March 28, 2017 <http://bit.ly/2qE7E5i>.

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Source: USA Technologies, Inc.

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