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USA Technologies Announces Receipt of Nasdaq Acceptance of Plan to Regain Compliance

November 14, 2018

MALVERN, Pa.--(BUSINESS WIRE)--Nov. 14, 2018-- USA Technologies, Inc. (NASDAQ: USAT) (the "Company"), a premier digital payment, consumer engagement and logistics service provider for the self-service retail market, today announced that The Nasdaq Stock Market LLC ("Nasdaq") has accepted the Company's plan to regain compliance with Nasdaq Listing Rule 5250(c)(1) (the "Rule"), which will permit the Company's common stock and preferred stock to continue to trade on the Nasdaq Global Market under the symbols "USAT" and "USATP", respectively.

As previously reported, on October 2, 2018, the Company received a notice from Nasdaq stating that the Company was not in compliance with the Rule because the Company had not timely filed its Annual Report on Form 10-K for the fiscal year ended June 30, 2018 (the "Annual Report") with the Securities and Exchange Commission (the "SEC"). The notice provided that the Company had until November 1, 2018 to submit to Nasdaq a plan to regain compliance with the Rule.

On October 30, 2018, the Company submitted to Nasdaq a plan to regain compliance with the Rule. After reviewing the Company's plan, Nasdaq accepted the plan and granted an exception to enable the Company to regain compliance with the Rule. Under the terms of the exception, the Company is required to file the Annual Report and any Quarterly Report on Form 10-Q which may be delinquent with the SEC on or before March 12, 2019. Nasdaq has advised the Company that a failure to file the Annual Report or any Quarterly Report which may be delinquent within the exception period will result in a notice of delisting of the Company's common stock and preferred stock. The Company would be entitled to appeal that determination to a hearing panel under Nasdaq listing rules.

As previously reported, the Company was unable to timely file its Annual Report and will not be in a position to timely file its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2018 (the "Quarterly Report") due to an internal investigation being conducted by the Audit Committee of the Company's Board of Directors into certain of the Company's contractual arrangements, including the accounting treatment, financial reporting and internal controls related to such arrangements. The investigation remains ongoing, and the Audit Committee is working closely with its advisors to complete its investigation in as timely a manner as possible. Once the investigation has been completed, the Company plans to file the Annual Report and the Quarterly Report as soon as practicable. The Company will not be in a position to file the Annual Report or the Quarterly Report until the Company and its independent auditor assess the results of the investigation, and the Company implements any remedial actions which may be deemed necessary by the Board of Directors.

About USA Technologies, Inc.

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 Mobile® for customers on the go, ePort® Interactive, and QuickConnect, an API Web service for developers. Through its recent acquisition of Cantaloupe Systems, Inc. ("Cantaloupe"), the company also offers logistics, dynamic route scheduling, automated pre-kitting, responsive merchandising, inventory management, warehouse and accounting management solutions. Cantaloupe is a premier provider of cloud and mobile solutions for vending, micro markets, and office coffee services.

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 the Company or its management, identify forward looking statements. Such forward-looking statements are based on the beliefs of the Company's management, as well as assumptions made by and information currently available to the Company'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, uncertainty as to the scope, timing and ultimate findings of the internal investigation; the costs and expenses relating thereto; the impact of the internal investigation on the Company, its management and operations, including potential financial impact on the Company; the risk of litigation or regulatory action arising from the internal investigation and its findings or from the failure to timely file the Annual Report or the Quarterly Report; the ability of the Company to regain and maintain compliance with Nasdaq's continued listing requirements; the timing of the review by, and the conclusions of, the Company's independent auditor regarding the investigation and its impact on the financial statements; possible default by the Company under its credit facility; the potential identification of control deficiencies, including potential material weaknesses in internal control over financial reporting and the impact of the same; potential reputational damage that the Company may suffer as a result of the matters under investigation; the impact of the pendency of the investigation on the value of the Company's common and preferred stock; and the risk that the filing of the Annual Report or Quarterly Report will take longer than currently anticipated. Readers are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement made by us speaks only as of the date of this release. Unless required by law, the Company 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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