



USA Technologies Management and Board Focused on Driving Shareholder Returns

November 4, 2019

Activist Fund Consent Theatrics a Costly Distraction

MALVERN, Pa.--([BUSINESS WIRE](#))--USA Technologies, Inc. (OTC: USAT) ("USAT" or the "Company"), a cashless payments and software services company that provides end-to-end technology solutions for the self-service retail market, today noted that Hudson Executive Capital LP ("Hudson") has filed with the U.S. Securities and Exchange Commission ("SEC") preliminary consent solicitation materials in order to solicit revocable consents to call a special meeting of shareholders to vote on various proposed amendments to the Company's bylaws. Hudson has also stated its intention to nominate in the future eight candidates for election to USAT's Board of Directors.

The USA Technologies' Board, in consultation with its legal advisors, is carefully reviewing Hudson's preliminary consent materials and will communicate its recommendation to USAT shareholders in due course.

USA Technologies issued the following Statement:

The USA Technologies' Board is disappointed that Hudson is intent on pursuing its distracting, unnecessary and costly efforts to take effective control of the Company, rather than engaging constructively with the Board to reach a mutually agreeable resolution so that the USAT Board and management team can continue to focus on creating value for all shareholders.

Based on a preliminary review of Hudson's materials, we note that three of the candidates named by Hudson formerly worked for J.P. Morgan Chase, where Hudson's Founder and Managing Partner Douglas Braunstein served in a number of roles.

USAT recently completed an audit and regained financial reporting compliance. The Company has taken a number of steps to improve procedures and controls while continuing to grow its customer base and connection count. We continue to focus on strengthening the business, including recently taken steps to significantly strengthen our balance sheet and working capital position. Our market-leading solutions and the value-added benefits they bring to our customers position us well to capitalize on positive industry trends, including the ongoing shift and increasing demand for electronic payment transactions.

USA Technologies' Board comprises nine highly qualified and experienced directors, eight of whom are independent and three of whom were recently appointed in April 2019. Directors on the USAT Board have a diverse range of skills, experience, perspective and expertise, including in risk, audit and compliance functions, which empowers the Board to provide oversight and guidance relevant to the Company's strategy and business objectives. The USAT Board and management team have been, and remain committed to, acting in the best interest of the Company.

USAT shareholders are not required to take action at this time.

About USA Technologies, Inc.

USA Technologies, Inc. is a cashless payments and software services company that provides end-to-end technology solutions for the self-service retail market. With approximately 1.2 million connections, USAT is transforming the unattended retail community by offering one solution for payments processing, logistics, and back-office management solutions. The company's enterprise-wide platform is designed to increase consumer engagement and sales revenue through digital payments, digital advertising and customer loyalty programs, while providing retailers with control and visibility over their operations and their inventory. As a result, customers ranging from vending machine companies, to operators of micro-markets, gas and car charging stations, laundromats, metered parking terminals, kiosks, amusements and more, can run their businesses more proactively, predictably, and competitively.

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 incurrence by USAT 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, route scheduling, inventory management, and related services, as our customer agreements are generally cancelable by the customer on thirty to sixty days' notice; the risk associated with the currently pending litigation or possible regulatory action arising from the internal investigation and its findings, from the failure to timely file USAT's periodic reports with the Securities and Exchange Commission, from the restatement of the affected financial statements, from allegations related to the registration statement for the follow-on public offering, or from potential litigation or other claims arising from the shareholder demands for derivative actions; whether any appeal to the Nasdaq Listing and Hearing Council of the delisting of USAT's securities on The Nasdaq Stock Market LLC will be successful or result in the reinstatement of trading of USAT's securities; or whether USAT's existing or anticipated customers purchase, rent or utilize ePort or Seed devices or our other products or services in the future at levels currently anticipated by USAT. 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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