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USA Technologies and Setomatic Systems Join Forces to Accelerate Cashless Payment in Multi-Billion Dollar Self-Service Laundry Market

Setomatic to Transition Existing Cashless Service Base to USA Technologies

MALVERN, Pa.--(BUSINESS WIRE)-- [USA Technologies, Inc.](#) (NASDAQ: USAT) ("USAT"), a provider of wireless, cashless payment and M2M telemetry solutions for small-ticket, self-serve retailing industries and [Setomatic Systems](#) ("Setomatic"), a designer and manufacturer of cashless payment hardware and data services primarily for the laundry industry, today announced a new, mutually exclusive agreement that targets the move toward cashless payment adoption in the nearly \$5 billion self-service laundry market. The agreement joins two leading solutions—Setomatic's [SpyderWash®](#) technology and USAT's comprehensive [ePort Connect®](#) service platform—to bring the best in cashless payment value to laundry operators as consumers increasingly opt to use their credit/debit card or mobile phone to pay for laundry services.

Under the terms of the three-year agreement, USAT, through its ePort Connect service, will act as the exclusive service provider for all credit/debit card processing for Setomatic's SpyderWash system. Conversely, USAT will market its ePort Connect service in the United States laundry market exclusively through Setomatic. In addition, over the next few weeks, the two companies will begin the transition of several thousand of Setomatic's existing cashless connections to USAT.

Beyond the initial transition of Setomatic's existing cashless connections, both companies will be joining forces to increase cashless payment adoption in the largely untapped coin-operated commercial laundry and multi-housing laundry markets. According to the Coin Laundry Association, the U.S. commercial laundry industry is comprised of 30,000-35,000 laundromats that Setomatic estimates translates to roughly 2.5 million commercial washers and dryers. Additionally, an industry participant indicates there are approximately 3.4 million machines in the multi-housing market. While no revenue figures are available for the multi-housing market, the Coin Laundry Association estimates gross revenue in the laundromat market at nearly \$5 billion annually.

"We believe the laundry market is still at the early stages of credit/debit card adoption, so this is a great time to join forces with USAT in order to bring SpyderWash customers the most value as they transition their machines to cashless payment," said Setomatic's President, Michael Schantz. "Our historical information already shows us that cashless helps build incremental revenue for laundry operators. By aligning with USAT, we are taking this even further.

"USAT has done a great job of making it easy for our customers to accept credit/debit cards and their streamlined and improved rate structure was extremely important to us. In addition, we were attracted to the scalability of the ePort Connect platform and USAT's commitment to new services such as loyalty programs. We want to be able to pass on the benefits of those programs to our customers. We are looking forward to getting started on the initial transition and to working with USAT in the years ahead to transition the laundry market to credit/debit and mobile payments."

Setomatic's [SpyderWash System](#) is an advanced, wireless payment system that accommodates credit, debit, loyalty cards and NFC enabled mobile payment, as well as coin. The Coin Laundry Association's magazine, Planet Laundry, selected Setomatic as their Industry Leader in the August 2012 issue stating that Setomatic's SpyderWash system has changed the face of the self-serve laundry industry.

USAT's ePort Connect service is a comprehensive suite of payment services specifically tailored for the needs of the unattended, small-ticket market. Designed to meet the unique needs of customers in the unattended, small-ticket market, ePort Connect provides cashless and contactless payment acceptance and processing via a simple and competitive blended transaction rate, 24 x 7 customer service, web-based reporting, and new consumer engagement services such as loyalty programs.

"We are looking forward to welcoming Setomatic's existing cashless customers and working with Setomatic to target substantially more cashless connections over the three year agreement period," said USAT's Chief Executive Officer, Stephen P. Herbert. "This new relationship is one example of the work we have had underway to leverage our leadership in vending to expand and diversify our ePort Connect service base. The SpyderWash platform aligns extremely well with our service, and by joining forces, we believe we can increase cashless payment adoption in the laundry market with greater speed and efficiency."

About Setomatic:

Setomatic 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 USA Technologies:

USA Technologies is a leader of wireless, cashless payment and M2M telemetry solutions for small-ticket, self-serve retailing industries. ePort Connect® is the company's 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 ePort® G8, ePort Mobile™ for customers on the go, and QuickConnect™, an API Web service for developers. USA Technologies has been granted 85 patents; and has agreements with Verizon, Visa, Elavon, Isis and customers such as Compass, Crane, 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 anticipated connections to our network, 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 the 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 ability of USAT to accurately predict future market conditions and consumer behavior; whether, and to what extent, existing SpyderWash customers will convert to USAT's ePort Connect Service; the accuracy of predictions regarding the level of cashless usage in the commercial self-serve laundry industry; and the ability of USAT to adopt new payment technology changes in the commercial cashless laundry industry. 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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Photos/Multimedia Gallery Available: <http://www.businesswire.com/multimedia/home/20130617005832/en/>

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