



June 5, 2013

USA Technologies and NEXCOM to Pilot Availability of Cashless Payment Vending Options at Selected Navy Bases in the U.S.

MALVERN, Pa.--(BUSINESS WIRE)-- [USA Technologies, Inc.](#) (NASDAQ: USAT), ("USAT"), a leader of wireless, cashless payment and M2M telemetry solutions for small-ticket, self-serve retailing industries, and the Navy Exchange Service Command (NEXCOM) will begin to make available cashless payment options using USAT's ePort and ePort Connect service at select pilot Navy Exchanges located on U.S. Naval installations.

"NEXCOM operates approximately 11,000 combined contracted and direct run vending machines on U.S. Naval bases across the country," said Gerard Fantano, NEXCOM's vending branch manager. "To date, only a small number of contracted beverage machines have incorporated cashless options to our customers. Based on industry trends and the increased usage of cashless options, we are piloting the expansion on Navy owned and operated machines to evaluate the economic benefits and customer acceptance."

During the pilot test period with USAT, NEXCOM's goal is to learn about the benefits of cashless from a deployment of up to 200 cashless terminals and, subject to profitability, to possibly expand to selected machines nationwide.

"We are pleased to welcome NEXCOM to USAT's growing list of customers for cashless payment and M2M telemetry," said USAT's vice president of sales and business development, Michael K. Lawlor. "We anticipate that NEXCOM's returns would be similar to what other USAT customers experience, and our objective with NEXCOM is to move system-wide. We already know that cashless usage in other military installations USAT serves continues to be well above average. For example, based on our [2013 ePort Connect Cashless Knowledge Base](#), which evaluated data and channel information from approximately 62,000 ePort Connect cashless vending terminals that had at least \$2,000 in annualized cashless sales over a three-month period between January and March 2013, cashless as a percent of total sales averaged 46% for the military channel (non-Navy) compared to an overall average of 32%. We are looking forward to working with NEXCOM to demonstrate the benefits of cashless and the ease with which they can continue to increase their cashless requirements with USAT."

NEXCOM will be utilizing USAT's ePort NFC enabled cashless payment technology and ePort Connect service, a one-stop service that includes integrated wireless activation, pre-negotiated discounted fees on small-ticket purchases, a single blended rate for transaction processing, 24 x 7 customer service, and web-based customer reporting.

About NEXCOM

The Navy Exchange Service Command (NEXCOM) oversees 100 Navy Exchange (NEX) facilities and nearly 300 stores worldwide, 40 Navy Lodges, Ships Stores Program, the Uniform Program Management Office, the Navy Clothing Textile and Research Facility and the Telecommunications Program Office. NEXCOM's parent command is the Naval Supply Systems Command. NEXCOM's mission is to provide authorized customers quality goods and services at a savings and to support quality of life programs for active duty military, retirees, reservists and their families. NEXs and Navy Lodges operate primarily as a non-appropriated fund (NAF) business instrumentality. NEX revenues generated are used to support Navy Morale, Welfare, and Recreation (MWR) programs. In FY11, \$2.7 billion in sales were generated with \$42.8 million in dividends provided to Navy MWR programs.

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 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; whether or not the initial NEXCOM cashless installations prove profitable; the ability of USAT to use its Knowledge Base to accurately predict future market conditions and consumer behavior; the ability of the Knowledge Base or USAT to predict any level of cashless usage for any particular channel or customer; and whether, and to what extent, a customer will increase its purchase of USAT's products and services in the future. 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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Source: USA Technologies, Inc.

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