

Net1 receives favourable order from High Court regarding bank account debits

Johannesburg, May 9, 2017 – Net 1 UEPS Technologies, Inc. (“Net1” or the “Company”) (NasdaqGS: UEPS; JSE: NT1) today announced that the High Court of the Republic of South Africa Gauteng Division, Pretoria (“High Court”) has issued the declaratory order sought by the Company that the Social Assistance Act of 2004 (the “Act”) and recent Regulations promulgated in terms thereof (the “Regulations”) do not restrict social grant recipients in their operation of their banks accounts.

This order therefore clarifies that recipients may continue to initiate debit order instructions with any service provider, including the Company and its subsidiaries, against their bank accounts for the payment of goods and services. In accordance with industry practice, recipients may also query and request the reversal of disputed debits.

SASSA, its Chief Executive Officer and the Minister of Social Development were ordered to pay the costs of the application. The complete judgment is available on the Company’s website at www.net1.com

In 2016, SASSA challenged the Company’s ability to operate certain aspects of its financial services businesses in a commercial manner by adopting an interpretation of the Act and Regulations that would prohibit the Company and Grindrod Bank Limited from processing debit orders from social welfare recipients’ bank accounts. The Company believed that SASSA’s interpretation was erroneous and on June 3, 2016, it filed for a declaratory order with the High Court to provide certainty to Net1, as well as other industry stakeholders, on the interpretation of the Act and Regulations. The matter was heard by the Court on October 17 and 18, 2016 and judgment was handed down today.

The Court refused the Black Sash Trust’s (“Black Sash”) application to intervene in the matter. In support of its application, the Black Sash made several allegations of “illegal deductions” which were comprehensively dealt with in the Company’s answering affidavits. Recently, the Black Sash and the Democratic Alliance (“DA”) have been quoted in the South African media, stating that they had received a large number of complaints from recipients regarding “deductions” from their grants. The Company addressed correspondence to both the DA and Black Sash to seek further detail regarding these alleged complaints in order to investigate. In response, the DA said that it had received 600 complaints since inception. The Company has asked for further details in relation to these alleged complaints, but has received no further reaction from the DA. The Black Sash failed to respond at all. The Company invites any grant recipients who have experienced any issues with their grants to contact the Company’s call centre at 0800-600-160.

“We welcome this order as it clarifies that grant recipients may continue to exercise their human rights to transact freely with any service provider utilizing the full functionality of their bank accounts,” said Serge Belamant, Chief Executive Officer of Net1. “We will continue to facilitate duly authorized payments for financial services and other products and reiterate that we do not initiate any “illegal deductions.” As verified by KPMG in their recent factual findings report, our debit orders have no preference over other debit orders, are submitted through the national payment system and are randomized in accordance with industry practice,” he concluded.

About Net1 (www.net1.com)

Net1 is a leading provider of alternative payment systems that leverage its Universal Electronic Payment System (“UEPS”) or utilize its proprietary mobile technologies. The Company operates market-leading payment processors in South Africa and the Republic of Korea. Through Transact24, Net1 offers debit, credit and prepaid processing and issuing services for Visa, MasterCard and ChinaUnionPay in China and other territories across Asia-Pacific, Europe and Africa, and the United States. Through Masterpayment, Net1 provides payment processing and enables working capital financing in Europe.

UEPS permits the Company to facilitate biometrically secure, real-time electronic transaction processing to unbanked and under-banked populations of developing economies around the world in an online or offline environment. Net1’s UEPS/EMV solution is interoperable with global EMV standards that seamlessly enable access to all the UEPS functionality in a traditional EMV environment. In addition to payments, UEPS can be used for banking, healthcare management, payroll, remittances, voting and identification.

Net1’s mobile technologies include its proprietary mobile payments solution - MVC, which offers secure mobile-based payments, as well as mobile banking and prepaid value-added services in developed and emerging countries.

Net1 has a primary listing on the NASDAQ and a secondary listing on the Johannesburg Stock Exchange.

Forward-Looking Statements

This announcement contains forward-looking statements that involve known and unknown risks and uncertainties, including statements relating to the timing or substance of any High Court ruling. A discussion of various factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed in such forward-looking statements are included in our filings with the Securities and Exchange Commission. We undertake no obligation to revise any of these statements to reflect future events.

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