

Net1 announces that CPS/SASSA increased price not subject to Constitutional Court endorsement

Johannesburg, December 6, 2018 – Net 1 UEPS Technologies, Inc. (“Net1” or the “Company”) today announced that it has received an order from the Constitutional Court of South Africa (“Constitutional Court”) regarding the determination of fees and payment between the Company’s subsidiary, Cash Paymaster Services (“CPS”), and SASSA.

In its previous order handed down on March 23, 2018, among other things, the Constitutional Court ruled:

2. *It is declared that, for the period of six months from 1 April 2018, SASSA and CPS are under a constitutional obligation to ensure payment of social grants to beneficiaries who are paid in cash.*

4. *SASSA and CPS must ensure that for the period of six months from 1 April 2018 payment of social grants is made to beneficiaries who are paid in cash on the same terms and conditions as those in the current contract between them.*
 - 4.1 *CPS may in writing request National Treasury during the six month period to investigate and make a recommendation regarding the price to be paid for the service it is to render in terms of paragraph 4 of this order.*
 - 4.2 *National Treasury must file a report with this Court within 21 days of receipt of the request setting out its recommendation.*

SASSA interpreted the above order to imply that the Constitutional Court had to rule specifically on the matter in order for them to adopt the Treasury recommended rate (excluding VAT) of ZAR 44.35 for cash payments and ZAR 16.94 for biometric payments performed by CPS, versus the previously contracted rate of ZAR 14.42.

The Company accordingly filed an urgent application on August 22, 2018 with the Constitutional Court to obtain the Court’s endorsement of the Treasury recommended rate.

The Constitutional Court has now ordered that it will not consider the urgent application, on the basis that *“it is not in the interest of justice to hear it because nothing prevents the parties from coming to an agreement on increased payments without court sanction, and if they do not, normal legal processes in other courts must be filed to determine the effects.”*

“We welcome the Constitutional Court clarification that its consent is not required to finalize the pricing for the last six months of the contract between CPS and SASSA,” said Herman Kotzé, CEO of Net1. “We look forward to engaging directly with SASSA to finalize our remuneration in accordance with the Treasury recommendation for the six-month period ending September 30, 2018, and bringing the six-and-a-half-year contract to its conclusion,” he added.

About Net1 (www.net1.com)

Net1 is a leading provider of transaction processing services, financial inclusion products and services and secure payment technology. Net1 operates market-leading payment processors in South Africa and the Republic of Korea. Net1 offers debit, credit and prepaid processing and issuing services for all major payment networks. In South Africa, Net1 provides innovative low-cost financial inclusion products, including banking, lending and insurance, and is a leading distributor of mobile subscriber starter packs for Cell C, a South African mobile network operator. Net1 leverages its strategic equity investments in Finbond and Bank Frick (both regulated banks), and Cell C to introduce products to new customers and geographies. Net1 has a primary listing on NASDAQ (NasdaqGS: UEPS) and a secondary listing on the Johannesburg Stock Exchange (JSE: NT1). Visit www.net1.com for additional information about Net1.

Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical fact, included in this press release regarding strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. The Company may not actually achieve the plans, intentions or expectations disclosed in its forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that the Company makes. Factors that might cause such differences include, but are not limited to: SASSA's interpretation of the Constitutional Court's order; other factors, many of which are beyond the Company's control; and other important factors included in the Company's reports filed with the Securities and Exchange Commission, particularly in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2018, as such Risk Factors may be updated from time to time in subsequent reports. The Company does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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