

Net1 board statement on termination of Blue Label subscription agreement

Johannesburg, June 1, 2017 – Net 1 UEPS Technologies, Inc. (“Net1” or the “Company”) (NasdaqGS: UEPS; JSE: NT1)

Earlier today the Company announced that it intends to pursue investments in Cell C (Pty) Ltd (“Cell C”) and DNI-4PL Contracts (Pty) Ltd (“DNI”) but that it would no longer be investing directly in Blue Label Telecoms Limited (“Blue Label”).

The Board of Net1 wishes to clarify that its recently appointed chief executive officer did not unilaterally terminate the subscription agreement with Blue Label. The decision not to invest was made by the full Net1 board before the end of May 2017.

The proposed three investments by Net1 required the utilization of cash reserves, bank finance and the issuance of shares of its common stock to fund the transactions.

The material reduction in the Net1 share price in the first five months of 2017 and the lack of volume demand for its shares at this time would have made it detrimental to Net1 shareholder value for it to proceed with a share placement. The Board accordingly concluded that Net1 could only use cash resources and bank debt and could therefore only conclude two of the three investments.

Net1 approached Blue Label on these matters and both parties mutually agreed that Net1 would not subscribe for shares in Blue Label and would proceed only with the investments in Cell C and DNI. Blue Label would replace the Net1 subscription with a private placement with other parties to part fund its investment in Cell C.

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, ChinaUnionPay, Alipay and WeChat 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 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: the proposed investments in Cell C and DNI not closing; failing to obtain the necessary debt financing; or failure by the Company to realize the anticipated benefits from these transactions; and 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, 2016, 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.

Investor Relations Contact:

Dhruv Chopra
Head of Investor Relations
Phone: +1-917-767-6722
Email: dchopra@net1.com

Media Relations Contact:

Bridget von Holdt
Business Director – Burson-Marsteller South Africa
Phone: +27-82-610-0650
Email: bridget.vonholdt@bm-africa.com