

Net1 Partners with Zapper to Deploy QR Payment Technology Across Africa

Johannesburg, October 4, 2018 – Net 1 UEPS Technologies, Inc. (“Net1” or the “Company”) (NasdaqGS: UEPS; JSE: NT1) today announced that it has entered into a strategic relationship with Zapper, the leading South African QR payments technology company with more than a million customers. Zapper’s QR technology and payment platform is one of the most advanced and complete QR payment offerings, and it has operations currently in South Africa, the United Kingdom and the United States. Net1 and Zapper will partner to launch ZappGroup Africa (“ZappGroup”), a company focussed on deploying a universal white-label QR payment solution.

Deal Structure

A newly formed entity called V2 Limited (“V2”), will be an Africa-focused technology provider, focused on facilitating financial inclusion to the roughly one billion underbanked population on the continent. Net1 has acquired a 50% interest in V2 for USD 5 million, and will commit an additional USD 5 million towards working capital funding over a period of time. V2 will have access to license Zapper’s QR payment technology as well as Net1’s various payment solutions such as UEPS/EMV and mobile virtual card. V2 Limited owns 67% of ZappGroup Africa, which has a perpetual exclusive license for Zapper’s proprietary QR technology across key African countries, including Nigeria, Ghana, Kenya and Tanzania. Zapper will own the remaining 33% of ZappGroup.

“We intend to change the face of payments across Africa through innovative payment solutions,” said Herman Kotze, CEO of Net1. “Traditional banks have struggled to service the unbanked population due to limited infrastructure and the high cost of providing last mile connectivity. By leveraging Net1’s existing technologies together with Zapper’s mobile solutions, we can address the needs of 70% of Africa’s population currently underserved by financial institutions. QR payments have transformed China’s payments landscape over the past five years, and we believe our joint efforts will have a similar effect across Africa,” he concluded.

Strategic Rationale

QR payments currently dominate the payments landscape in China with players such as WeChat and Alipay boasting of hundreds of millions of monthly active users. Mobile and QR solutions in particular are also leapfrogging traditional and card-based solutions in emerging countries across Asia.

The vast majority of Africa’s 1.3 billion people are unbanked, and this market remains one of the largest untapped opportunities for fintech players like Net1, who have extensive expertise on the continent. QR payments do not require costly point of sale equipment for merchants, and the key transaction infrastructure, mobile phones, is already pervasive with over a billion mobile connections. Additionally, according to a 2017 study by the GSM Association, smartphone penetration is forecast to increase from 33% currently to 54% by 2020.

QR payments and, in particular the Zapper QR payment platform, cater to the needs of the users and address the issues of limited infrastructure and interoperability across various mobile money and other payment methods. Zapper’s solution is open, universal and is also one of the first platforms to be cross-compatible with Alipay.

Rollout Strategy

ZappGroup will target key regions across West and East Africa, from which regional hubs will be created for further rollouts. West Africa will be the initial focus, with launches targeted in both Nigeria and Ghana.

Nigeria has both the largest population in Africa and the greatest number of mobile subscribers, at 193 million and 161 million respectively. However, only 30% of the population have access to financial services. The Central Bank of Nigeria, under their Payments Vision for 2020, intends to add 40 million previously excluded individuals to the financial sector in the next two years.

Nigeria's growth is representative of the trends in the region more broadly, with Ghana's mobile money transactions almost doubling in 2017 to USD 35 billion, nearly rivalling the scale of market leader Kenya, which has approximately USD 45 billion in mobile money transactions, despite Ghana's population being less than 60% of Kenya's.

ZappGroup has signed letters of intent and expressions of interest with some of the largest operators and key industry players across the region, and is targeting its first country launch in fiscal Q2 2019, followed by a second country launch in the second half of fiscal 2019.

Management team

V2 will be led by Barry Lobel as chief executive officer, and Paul Edwards as chairman of the board. Net1 will be actively involved with the management of V2, and will also have two representatives on the board.

Mr. Lobel has over 15 years' experience restructuring and building small-to-medium sized businesses with specific focus in Africa. Most recently, he was responsible for the restructuring of various payment and e-money platforms across Europe, Africa and South America. His former roles include Executive Director and CFO of Atlas African Industries, Director of Finance at Partners Capital, and Co-Head of Private Equity at RP Capital.

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: failure by the Company to realize the anticipated benefits from the Zapper transactions; 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.

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 – BCW

Phone: +27-82-610-0650

Email: bridget.vonholdt@bm-africa.com