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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 2, 2017 (February 28, 2017)

**NET 1 UEPS TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

**Florida**  
(State or other jurisdiction  
of incorporation)

**000-31203**  
(Commission  
File Number)

**98-0171860**  
(IRS Employer  
Identification No.)

**President Place, 4<sup>th</sup> Floor, Cnr. Jan Smuts Avenue and Bolton Road**  
**Rosebank, Johannesburg, South Africa**  
(Address of principal executive offices) (ZIP Code)

Registrant's telephone number, including area code: **011-27-11-343-2000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ [ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ [ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)
  - ☐ [ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))
  - ☐ [ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e -4(c))
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## **Item 1.01 Entry into a Material Definitive Agreement.**

### ***Further Extension of Blue Label Telecoms Subscription Date and RMB Guarantee***

As previously disclosed, on October 4, 2016, Net 1 UEPS Technologies, Inc. ("Net1"), through one of its subsidiaries, Net1 Applied Technologies South Africa Proprietary Limited ("Net1 SA"), entered into a Subscription Agreement (the "Blue Label Subscription Agreement") with Blue Label Telecoms Limited ("Blue Label"), a JSE-listed company which is a leading provider of prepaid electricity and airtime in South Africa. Pursuant to the Blue Label Subscription Agreement, Net1 SA will subscribe for approximately 117.9 million ordinary shares of Blue Label at a price of ZAR 16.96 per share, for an aggregate price of ZAR 2.0 billion.

As previously disclosed, on October 20, 2016, Net1 SA and Blue Label signed an addendum to the Blue Label Subscription Agreement which, among other things, established the subscription date and required FirstRand Bank Limited (acting through its Rand Merchant Bank division) ("RMB") to issue a guarantee to Blue Label for the purchase price of the Blue Label shares to be purchased by Net1 SA (the "Guarantee"). On that date, Net1 SA also entered into a Common Terms Agreement (the "CTA"), a Senior Facility A Agreement, Senior Facility B Agreement, Senior Facility C Agreement, Subordination Agreement, Security Cession & Pledge and certain ancillary loan documents with RMB (collectively, the "Finance Documents"), pursuant to which, among other things, Net1 SA may borrow up to an aggregate of ZAR 1.4 billion to finance a portion of its investment in Blue Label. The amounts available under these loans and an escrow deposit of ZAR 600 million made by Net1 SA serve as security for the Guarantee. Net1 agreed to guarantee the obligations of Net1 SA to RMB and subordinate any claims it may have against Net1 SA and certain of its subsidiaries to RMB's claims against such persons.

As previously disclosed, the Blue Label Subscription Agreement was amended and restated on November 16, 2016 to, among other things, extend the subscription date. On February 28, 2017, the Blue Label subscription date was further extended to June 30, 2017, pursuant to the First Addendum to the Amended and Restated Subscription Agreement (the "Addendum").

As previously disclosed, on November 15, 2016, RMB, Net1, Net1 SA and certain of Net1's affiliates entered into a letter agreement (the "Guarantee Letter") amending the CTA to extend the term of the Guarantee, as referenced therein, to February 28, 2017, and RMB issued a new guarantee in favor of Blue Label for the purchase price of the Blue Label shares to be purchased by Net1 SA. In accordance with the terms of the Guarantee Letter, this guarantee would expire on February 28, 2017.

On February 28, 2017, RMB, Net1, Net1 SA and certain of Net1's affiliates entered into a new letter agreement (the "February 2017 Guarantee Letter") amending the CTA to extend the term of the Guarantee, as referenced therein, to May 31, 2017, and to correct certain outdated terms to the CTA, and RMB issued a new guarantee (the "New Guarantee") in favor of Blue Label for the purchase price of the Blue Label shares to be purchased by Net1 SA. In accordance with the terms of the February 2017 Guarantee Letter, this guarantee will expire on May 31, 2017.

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On February 28, 2017, RMB, Net1, Net1 SA and certain of Net1's affiliates entered into a side letter agreement (the "Guarantee Side Letter") under which the parties agreed to amend the Finance Documents by March 15, 2017, to contemplate and permit various guarantors to provide guarantees and to ensure that only the original senior lenders retain the benefits of all amounts credited to the escrow account and security in respect thereof. If the parties fail to reach agreement and amend the Finance Documents by March 15, 2017, Net1 is required to deposit ZAR 1.4 billion into the escrow account. Failure to reach agreement by March 15, 2017, or to deposit the additional funds into the escrow account, would constitute a breach under the CTA.

The foregoing descriptions of the Addendum, the February 2017 Guarantee Letter, the Guarantee Side Letter, and the New Guarantee do not purport to be complete and are qualified in their entirety by reference to the full text thereof, copies of which are attached hereto as Exhibits 10.50 through 10.53 and are incorporated herein by reference.

On February 28, 2017, the USD/ZAR exchange rate was \$1.00/ZAR 13.0283.

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The February 2017 Guarantee Letter and the New Guarantee extend the expiration of the CTA and the Guarantee to May 31, 2017. The Guarantee Letter requires the parties to renegotiate the Finance Documents by March 15, 2017, to contemplate and permit various guarantors to provide guarantees and to ensure that only the original senior lenders retain the benefits of all amounts credited to the escrow account and security in respect thereof. The material terms of the February 2017 Guarantee Letter and the New Guarantee are more fully discussed in Item 1.01 above.

**Item 7.01. Regulation FD Disclosure.**

On March 1, 2017, Net1 issued a press release announcing the execution of the Addendum and the New Guarantee described in Items 1.01 and 2.03 above as well as the execution of a memorandum of understanding to acquire 49.6% of DNI-4PL Contracts (Pty) Ltd and Net1's inclusion in a umbrella restructure agreement with Cell C and other relevant parties to acquire 15% of Cell C. A copy of Net1's press release is attached as Exhibit 99.1.

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**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

Exhibit

No.      Description

[10.50](#)      [First Addendum to Amended and Restated Subscription Agreement, dated February 28, 2017, between Net1 SA and Blue Label](#)

[10.51](#)      [Amendment Letter from RMB to Net1 SA, dated February 28, 2017](#)

[10.52](#)      [Side Letter from RMB to Net1 SA, dated February 28, 2017](#)

[10.53](#)      [Bank Guarantee issued by RMB in favor of Blue Label, dated February 28, 2017](#)

[99.1](#)      [Press Release, dated March 1, 2017, issued by Net1](#)

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**NET 1 UEPS TECHNOLOGIES, INC.**

Date: March 2, 2017

By: Herman G. Kotzé  
Name: Herman G. Kotzé  
Title: Chief Financial Officer

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**FIRST ADDENDUM TO AMENDED AND RESTATED SUBSCRIPTION AGREEMENT**

between

**NET1 APPLIED TECHNOLOGIES SOUTH AFRICA PROPRIETARY LIMITED**

and

**BLUE LABEL TELECOMS LIMITED**



## 1 PARTIES

- 1.1 The Parties to this Agreement are –
- 1.1.1 Net1 Applied Technologies South Africa Proprietary Limited; and
- 1.1.2 Blue Label Telecoms Limited.
- 1.2 The Parties agree as set out below.

## 2 INTERPRETATION

In this Addendum -

- 2.1 "**Addendum**" means this addendum agreement;
- 2.2 "**Agreement**" means the amended and restated subscription agreement entered into between the Parties on 16 November 2016 relating to the Subscription by Net1 Applied Technologies South Africa Proprietary Limited for 117,924,528 (one hundred and seventeen million nine hundred twenty four thousand five hundred and twenty eight) ordinary shares in Blue Label Telecoms Limited for an aggregate subscription price of R2,000,000,000.00 (two billion rand);
- 2.3 "**Parties**" means the parties to this Addendum; and
- 2.4 words and phrases defined in the Agreement will bear the same meanings herein.

## 3 CONDITION PRECEDENT TO THIS ADDENDUM

The Parties agree that this Addendum shall be subject to the suspensive condition that the form of guarantee attached hereto as Annexure 1 shall be signed by the parties thereto on or before the date on which this Addendum is signed by the last Party signing, failing which this Addendum shall automatically terminate and cease to be of any further force or effect.

## 4 VARIATION OF AGREEMENT

- 4.1 The Agreement is hereby varied as follows -
- 4.1.1 clause 2.1.22 of the Agreement is hereby deleted in its entirety and replaced with the following new clause –

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"2.1.22"**Subscription Date**" means, subject to the fulfilment or waiver, as the case may be, of the last outstanding Condition Precedent, the date designated as the "Subscription Date" by way of written notice by the Company to the Subscriber, provided that –

2.1.22.1 the Subscription Date shall occur between 23 January 2017 and 12h00 on 31 May 2017 and the Company shall not be permitted to designate any date as the Subscription Date which does not fall within the aforementioned period; and

2.1.22.2 no such written notice by the Company shall be considered valid for purposes of this clause 2.1.22 unless the Company has given the Subscriber at least than 5 (five) business days' prior written notice of the Subscription Date,"; and

4.1.2 clause 7.2 of the Agreement is hereby deleted in its entirety and replaced with the following new clause –

"7.2 either Party shall be entitled to terminate this Agreement summarily by way of written notice in the event that the Subscription Date has not occurred by 12h00 on 31 May 2017;".

4.2 The Parties agree that all references to the Guarantee which are contained in the Agreement shall be deemed to be references to the Guarantee attached as Annexure 1 to this Addendum.

## 5 SAVINGS CLAUSE

Save to the extent specifically or by necessary implication modified in or inconsistent with the provisions of this Addendum, all of the remaining terms and conditions of the Agreement shall *mutatis mutandis* continue in full force and effect.

## 6 COSTS

Each Party will bear and pay its own legal costs and expenses of and incidental to the negotiation, drafting, preparation and implementation of this Addendum.

## 7 SIGNATURE

7.1 This Addendum is signed by the Parties on the dates and at the places indicated below.



- 7.2 This Addendum may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Addendum as at the date of signature of the Party last signing one of the counterparts.
- 7.3 The persons signing this Addendum in a representative capacity warrant their authority to do so.
- 7.4 The Parties record that it is not required for this Addendum to be valid and enforceable that a Party shall initial the pages of this Addendum and/or have its signature of this Addendum verified by a witness.

SIGNED at ROSEBANK on FEBRUARY 28, 2017

For and on behalf of  
**NET1 APPLIED TECHNOLOGIES**  
**SOUTH AFRICA PROPRIETARY LIMITED**

/s/ Herman G. Kotzé  
 Signature

Herman G. Kotzé  
 Name of Signatory

Director  
 Designation of Signatory

SIGNED at SANDTON on FEBRUARY 28, 2017

For and on behalf of  
**BLUE LABEL TELECOMS LIMITED**

/s/ Brett M. Levy  
 Signature

Brett M. Levy  
 Name of Signatory

Joint CEO  
 Designation of Signatory

## FORM OF GUARANTEE

Blue Label Telecoms Limited  
 75 Grayston Drive  
 Morningside  
 Sandton  
 Attention: The Chief Executive Officer

28 February, 2017

Dear Sirs,

## BANK GUARANTEE

1. We, FirstRand Bank Limited (acting through its Rand Merchant Bank division), with registration number 1929/001225/06 having our head office at 1st Floor, 4 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196 (the **Guarantor**), provide this bank guarantee (this **Bank Guarantee**) in accordance with clause 5.1.1 (Conditions Precedent) of an amended and restated subscription agreement (the **Subscription Agreement**) concluded on or about 15 November 2016 and further amended on or about 28 February, 2017, between Blue Label Telecoms Limited, registration number 2006/022679/06, (the **Company**) and Net1 Applied Technologies South Africa Proprietary Limited, registration number 2002/031446/07, (the **Subscriber**) in connection with the proposed subscription by the Subscriber of 117,924,528 ordinary shares (the **Shares**) in the Company (**Proposed Subscription**). This Bank Guarantee replaces in its entirety the bank guarantee issued by the Guarantor to the Company dated 15 November 2016, which guarantee is automatically terminated on the issue of this Bank Guarantee.
2. We understand that:
  - 2.1 the Proposed Subscription will be subject to the terms and conditions set out in the Subscription Agreement;
  - 2.2 the implementation of the Proposed Subscription will be subject to the fulfilment of the condition precedent set out in clause 5.1.2 of the Subscription Agreement (the **Subscription Condition Precedent**) by not later than 16 November 2016; and
  - 2.3 should the Proposed Subscription be implemented in accordance with the terms and conditions of the Subscription Agreement, the aggregate subscription price for the Shares that will be payable by the Subscriber to the Company in accordance with the terms and conditions of the Subscription Agreement will be an amount of R2,000,000,000 (the **Aggregate Subscription Price**).
3. The Guarantor, subject to the terms of this Bank Guarantee, hereby irrevocably guarantees the payment by the Subscriber to the Company of the Aggregate Subscription Price (the **Guaranteed Amount**).
4. Subject to compliance with the terms of this Bank Guarantee (including but not limited to the provisions of paragraphs 8.4 and 8.5, and provided the Company has given the Guarantor at least 5 business days' prior written (at its address set out in paragraph 5 below) of the Subscription Date as designated in accordance with the Subscription Agreement, the Company shall be entitled to demand payment from the Guarantor either on (and not before) 10 March, 2017 or before 12h00 on 31 May, 2017 (the **Expiry Date and Time**), of the Aggregate Subscription Price.

5. The demand against the Guarantor under this Bank Guarantee shall be furnished in writing to the Guarantor at its address: 14th Floor, 1 Merchant Place, 1 Fredman Drive, Sandton, 2196 and marked for the attention of Head of Transaction Management, Investment Banking Division, with a copy to Chris Welthagen and Ziyaad Manie, and shall state that the Company is demanding payment in discharge of the Subscriber's obligation to settle the Aggregate Subscription Price in terms of the Subscription Agreement.
6. This Bank Guarantee shall be irrevocable and shall remain in full force and effect until the Expiry Date and Time, by which time and date the demand by the Company should have been received at our address. Any demand received at the Guarantor's address after the Expiry Date and Time shall not be considered.
7. This Bank Guarantee shall be governed by, and construed in all respects in accordance with, the laws of the Republic of South Africa.
8. Notwithstanding anything contained herein above:
  - 8.1 the Guarantor's maximum liability under this Bank Guarantee shall not exceed the Guaranteed Amount;
  - 8.2 this Bank Guarantee shall be valid only until the earlier of the following times:
    - 8.2.1 the time of day on the date on which the Aggregate Subscription Price is received by the Company (in the Designated Account under (and as defined in) the Subscription Agreement) (the **Designated Account**) from the Guarantor on behalf of the Subscriber;
    - 8.2.2 the delivery to the Company of two or more guarantees given by any of the Guarantor, Investec Bank Limited, Nedbank Limited or The Standard Bank of South Africa Limited, or (with the Company's prior written consent) any of their affiliates, on terms equivalent to those of this Bank Guarantee (save for such amendments necessary to take account of (i) the change in identity of the guarantor, (ii) the fact that the guarantor will only be guaranteeing a portion of the Aggregate Subscription Price, (iii) the change in address and contact details for any demand made by the Company under the guarantee, and (iv) the change in delivery address of a MAC Notice) and in an aggregate amount equal to the Guaranteed Amount;
    - 8.2.3 the delivery of any notice in terms of paragraph 8.5;
    - 8.2.4 the date on which the shareholders of the Company, in general meeting, vote against placing the Shares under control of directors of the Company for purposes of issuing the Shares to the Subscriber; and
    - 8.2.5 the Expiry Date and Time,  
at which time it shall automatically expire and be of no further force or effect. Any demand received at the Guarantor's address after such expiry shall not be considered;
  - 8.3 the Guarantor is liable to immediately (i.e. within 1 business day) pay the Guaranteed Amount into the Designated Account but only if you serve upon it a demand as stated above before the Expiry Date and Time, where after it ceases to be in effect and all the Company's rights under this Bank Guarantee shall be forfeited and the Guarantor shall be discharged from all liability under this Bank Guarantee, whether or not the original guarantee is returned to the Guarantor;

- 8.4 any demand for payment under this Bank Guarantee shall be accompanied by written confirmation from the Company to the Subscriber and the Guarantor confirming that, as at the day immediately prior to the date on which such demand is delivered to the Guarantor (the **Confirmation Date**), (i) no event contemplated in the Annex to this Bank Guarantee (other than clause 9.1.7 of such Annex) has occurred on or before the Confirmation Date; and (ii) in respect of clause 9.1.7 of the attached Annex, a positive statement that the relevant warranties in clause 8.1 of the Subscription Agreement are true and correct in all respects as at the Confirmation Date;
- 8.5 the delivery by the Subscriber of a written notice in terms of the provisions of clause 8.2 of the Subscription Agreement (Conditions to Subscription and Subscriber's Right to Terminate) (the **MAC Notice**) at any time prior to 17h00 on the Confirmation Date (the **MAC Cut Off Date and Time**) in terms of which it summarily terminates the Subscription Agreement, to the Company (and with a copy to the Guarantor), shall cause this Bank Guarantee to immediately and automatically expire and cease to be of any further force or effect and any payment demand made by the Company under this Bank Guarantee after delivery of the MAC Notice shall therefore be a nullity and shall not be considered, provided that no MAC Notice delivered after the MAC Cut Off Date and Time shall be considered a nullity under this Bank Guarantee and shall not be considered. The MAC Notice shall be furnished in writing to the Guarantor at its address: 14th Floor, 1 Merchant Place, 1 Fredman Drive, Sandton, 2196 and marked for the attention of Head of Transaction Management, Investment Banking Division, with a copy to Chris Welthagen and Ziyaad Manie prior to the MAC Cut Off Date and Time;
- 8.6 only the Company shall be entitled to demand payment of any sum from the Guarantor under this Bank Guarantee; and
- 8.7 no payment of all or any part of the Guaranteed Amount shall be made if doing so would be illegal or contrary to applicable law.
9. This Bank Guarantee is neither negotiable nor transferable.
10. Promptly on receipt by the Company of the Aggregate Subscription Price as contemplated in paragraph 8.2.1 and, in any event, by no later than 3 Business Days thereafter, the Company shall deliver to the Guarantor the original of the Bank Guarantee at the address set out in paragraph 5.

For and on behalf of:  
**FirstRand Bank Limited (acting through its Rand Merchant Bank division)**

Name: \_\_\_\_\_  
Office: \_\_\_\_\_

For and on behalf of:  
**FirstRand Bank Limited (acting through its Rand Merchant Bank division)**

Name: \_\_\_\_\_  
Office: \_\_\_\_\_

For and on behalf of:  
**Net1 Applied Technologies South Africa Proprietary Limited**

Name: \_\_\_\_\_  
Office: \_\_\_\_\_

For and on behalf of:  
**Blue Label Telecoms Limited**

Name: \_\_\_\_\_  
Office: \_\_\_\_\_

## EXTRACT FROM CLAUSE 9.1 OF THE SUBSCRIPTION AGREEMENT

## 9 CONDITIONS TO SUBSCRIPTION AND SUBSCRIBER'S RIGHT TO TERMINATE

- 9.1 *Notwithstanding anything to the contrary contained in this Agreement (including the fulfilment or waiver, as the case may be, of the Condition Precedent), the Subscriber will only be obliged to subscribe for the Subscription Shares if, as at 23h50 on the day immediately preceding the Subscription Date -*
- 9.1.1 *neither the Group nor any Group Company has disposed of any of its material assets outside of the ordinary or usual course of business;*
- 9.1.2 *no Group Company has been liquidated or placed under judicial management, whether provisionally or finally (and no application has been launched in this regard);*
- 9.1.3 *no Group Company has commenced business rescue proceedings under the Companies Act;*
- 9.1.4 *no Group Company has, in respect of the 18 (eighteen) month period prior to the Signature Date, committed an act which, if it were a natural person would constitute an act of insolvency as defined in the Insolvency Act, No 24 of 1936, or any other applicable Act;*
- 9.1.5 *no Group Company has, in respect of the 18 (eighteen) month period prior to the Signature Date, compromised with its creditors generally, or attempted to do so;*
- 9.1.6 *in respect of the 18 (eighteen) month period prior to the Signature Date, no material creditor of any Group Company has given notice of its intention to take any action to enforce its rights and/or remedies in terms of any material debt owed to it;*
- 9.1.7 *each of the warranties contained in clause 8.1 is true and correct in all respects; and*
- 9.1.8 *no interdict, judgment or other order or action of any court or governmental authority restraining, prohibiting or rendering illegal the implementation of the transactions contemplated hereby shall be in effect, and no legal proceeding shall have been instituted by any person (including any governmental authority) seeking to prohibit, restrict or delay or declare illegal the implementation of the transactions contemplated in this Agreement.*

[INCLUDE ON RMB LETTERHEAD]

To: **NET1 APPLIED TECHNOLOGIES SOUTH AFRICA PROPRIETARY LIMITED**

Sixth Floor  
President Place  
Corner of Jan Smuts Avenue and Bolton Road  
Rosebank, 2196

Email: hermank@net1.com

Attention: Herman Kotze

From: **FIRSTRAND BANK LIMITED (ACTING THROUGH ITS RAND MERCHANT BANK DIVISION)** (in its capacity as Facility Agent under the CTA (defined below))

28 February, 2017

Dear Sirs,

**NET1 APPLIED TECHNOLOGIES SOUTH AFRICA PROPRIETARY LIMITED  
SENIOR TERM LOAN FACILITIES**

**1. BACKGROUND**

1.1 We refer to:

1.1.1 the common terms agreement dated on or about 20 October, 2016 between, amongst others, Net1 Applied Technologies South Africa Proprietary Limited (the **Company**) and FirstRand Bank Limited (acting through its Rand Merchant Bank division) (as original senior lender, mandated lead arranger and the facility agent) as amended by an amendment letter dated 15 November, 2016 (the **CTA**); and

1.1.2 the Senior Facility Agreements (together with the CTA, the **Relevant Finance Documents**).

1.2 This letter is supplemental to and amends the Relevant Finance Documents pursuant to clause 37 (Amendments and waivers) of the CTA.

1.3 Pursuant to the Intercreditor Agreement, the Majority Lenders have consented to the amendments to the Relevant Finance Documents contemplated by this letter. Accordingly, we are authorised to execute this letter on behalf of the Finance Parties.

**2. INTERPRETATION**

2.1 Capitalised terms defined in the CTA have the same meaning when used in this letter unless expressly defined in this letter.

2.2 The provisions of clause 1.3 (Construction) of the CTA apply to this letter as though they were set out in full in this letter except that references to the CTA are to be construed as references to this letter.

2.3 In this letter, **Effective Date** means the date on which the Facility Agent notifies the Company that it has received a copy of this letter countersigned by each Obligor.

### 3. AMENDMENTS

- 3.1 Each Relevant Finance Document will be amended on and with effect from the Effective Date in accordance with paragraph 3.2 below.
- 3.2 The CTA will be amended as follows:
- 3.2.1 clause 1.1.14 (Definitions) of the CTA will be deleted in its entirety and replaced with the following new clause 1.1.14:  
*"1.1.14 **Bank Guarantee Expiry Date** means 31 May, 2017;"*
- 3.2.2 clause 1.1.67 (Definitions) of the CTA will be deleted in its entirety and replaced with the following new clause 1.1.67:  
*"1.1.67 **Longstop Date** means 31 May, 2017;"*
- 3.2.3 the date in clause 1.2.7(a) (Financial definitions) of the CTA will be deleted in its entirety and replaced with the date: *"30 June, 2017";*
- 3.2.4 Schedule 6 (Form of Bank Guarantee) of the CTA will be deleted in its entirety and replaced with the new Schedule 6 (Form of Bank Guarantee) set out in Appendix 1 to this letter.
- 3.3 The Senior Facility A Agreement will be amended as follows:
- 3.3.1 clause 1.1.7 (Definitions) of the Senior Facility A Agreement will be deleted in its entirety and replaced with the following new clause 1.1.7:  
*"1.1.7 **Final Maturity Date** means the date falling on the second anniversary of the Loan Disbursement Date;"*
- 3.3.2 the following new clause 1.1.9A is to be inserted:  
*"1.1.9A **Loan Disbursement Date** means the date on which a Senior Facility A Loan is disbursed by the Senior Facility A Lenders following a claim under a Bank Guarantee;"*
- 3.3.3 clause 1.1.13 (Definitions) of the Senior Facility A Agreement will be deleted in its entirety and replaced with the following new clause 1.1.13:  
*"1.1.13 **Repayment Schedule** means the schedule of Repayment Instalments set out in Schedule 1 (Repayment Schedule), as initially inserted into this Agreement in accordance with Clause 6.1 and thereafter as replaced from time to time pursuant to Clause 6.2;*
- 3.3.4 clause 6.1 (Repayment) will be deleted in its entirety and replaced with the following new clause 6.1:  
*"6.1 The Borrower shall repay the Senior Facility A Loan in full in eight consecutive equal instalments (each a **Repayment Instalment**) commencing on the date falling three Months after the Loan Disbursement Date and thereafter at the end of each subsequent three Month period up to and including the Final Maturity Date (each a **Repayment Date**). The Facility Agent shall, as soon as reasonably possible following the Loan Disbursement Date, calculate the amount of the Repayment Instalments and include the Repayment Dates and corresponding Repayment Instalments in a Repayment Schedule to be inserted, by notice to the Borrower, into this Agreement as Schedule 1 (Repayment Schedule)."*



- 3.3.5 the table in Schedule 1 (Repayment Schedule) will be deleted and replaced with the following wording:
- "[To be included at the appropriate time pursuant to Clause 6.1 (Repayment)]"*
- 3.4 The Senior Facility B Agreement will be amended as follows:
- 3.4.1 clause 1.1.7 (Definitions) of the Senior Facility B Agreement will be deleted in its entirety and replaced with the following new clause 1.1.7:
- "1.1.7 **Final Maturity Date** means the date falling on the second anniversary of the Loan Disbursement Date;"*
- 3.4.2 the following new clause 1.1.10A is to be inserted:
- "1.1.10A **Loan Disbursement Date** means the date on which a Senior Facility B Loan is disbursed by the Senior Facility B Lenders following a claim under a Bank Guarantee;"*
- 3.4.3 clause 1.1.13 (Definitions) of the Senior Facility B Agreement will be deleted in its entirety and replaced with the following new clause 1.1.13:
- "1.1.13 **Repayment Schedule** means the schedule of Repayment Instalments set out in Schedule 1 (Repayment Schedule), as initially inserted into this Agreement in accordance with Clause 6.1 and thereafter as replaced from time to time pursuant to Clause 6.2;*
- 3.4.4 clause 6.1 (Repayment) will be deleted in its entirety and replaced with the following new clause 6.1:
- "6.1 The Borrower shall repay the Senior Facility B Loan in full in eight consecutive equal instalments (each a **Repayment Instalment**) commencing on the date falling three Months after the Loan Disbursement Date and thereafter at the end of each subsequent three Month period up to and including the Final Maturity Date (each a **Repayment Date**). The Facility Agent shall, as soon as reasonably possible following the Loan Disbursement Date, calculate the amount of the Repayment Instalments and include the Repayment Dates and corresponding Repayment Instalments in a Repayment Schedule to be inserted, by notice to the Borrower, into this Agreement as Schedule 1 (Repayment Schedule)."*
- 3.4.5 the table in Schedule 1 (Repayment Schedule) will be deleted and replaced with the following wording:
- "[To be included at the appropriate time pursuant to Clause 6.1 (Repayment)]"*
- 3.5 The Senior Facility C Agreement will be amended as follows:
- 3.5.1 clause 1.1.7 (Definitions) of the Senior Facility C Agreement will be deleted in its entirety and replaced with the following new clause 1.1.7:

*"1.1.7 **Final Maturity Date** means the same date that is determined as the Final Maturity Date under (and as defined in) Senior Facility A Agreement;"*

**4. REPRESENTATIONS**

Each Obligor confirms to each Finance Party that on the date of this letter and on the Effective Date, all the representations and warranties set out in clause 22 of the CTA:

- 4.1 are true; and
- 4.2 would also be true if references to the CTA were construed as references to the CTA as amended by this letter.

Each representation and warranty is applied to the circumstances existing at the time the representation and warranty is made.

**5. GUARANTEE AND SECURITY CONFIRMATION**

- 5.1 Each Guarantor confirms that, notwithstanding the amendments to the Relevant Finance Documents effected by this letter, the guarantee and indemnity given under the CTA continues in full force and effect and extends to, and operates as an effective unconditional guarantee of all present and future obligations and liabilities of each Obligor under the Finance Documents.
- 5.2 Each Obligor confirms that, notwithstanding the amendments to the Relevant Finance Documents effected by this letter, the liabilities and obligations arising under the CTA, as amended, shall form part of (but not be limited to) the Security created under the Security Agreements to which that Obligor is party to secure any obligation of any Obligor to a Finance Party under the Finance Documents.

**6. MISCELLANEOUS**

- 6.1 This letter is a Finance Document.
- 6.2 From the Effective Date, each Relevant Finance Document and this letter will be read and construed as one document.
- 6.3 Except as expressly otherwise provided in this letter, no amendment, variation or change is made to any Finance Document and all the Finance Documents remain in full force and effect in accordance with their terms.
- 6.4 Except to the extent expressly waived in this letter, no waiver of any provision of any Finance Document is given by the terms of this letter and the Finance Parties expressly reserve all their rights and remedies in respect of any breach of, or other Default under, the Finance Documents.

**7. COUNTERPARTS**

This letter may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts together shall constitute one letter. Delivery of an executed scanned counterpart of a signature page of this letter by e-mail shall be effective as delivery of an original executed counterpart hereof.

8. **GOVERNING LAW**

This letter is governed by the laws of South Africa.

If you agree to the above, please sign where indicated below.

Yours sincerely,

**FIRSTRAND BANK LIMITED (ACTING THROUGH ITS RAND MERCHANT BANK DIVISION)**  
(in its capacity as Facility Agent)

By:

/s/ Niel van Zyl

/s/ Ziyaad Manie

**Name:** Niel van Zyl

**Name:** Ziyaad Manie

**Date:** February 28, 2017

**Date:** February 28, 2017

We agree to the above.

**NET1 APPLIED TECHNOLOGIES SOUTH AFRICA PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**NET1 UEPS TECHNOLOGIES, INC**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**CASH PAYMASTER SERVICES PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**EASYPAY PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**MANJE MOBILE ELECTRONIC PAYMENT SERVICES PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**MONEYLINE FINANCIAL SERVICES PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**NET1 FIHRST HOLDINGS PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**NET1 FINANCE HOLDINGS PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**NET1 MOBILE SOLUTIONS PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**NET1 UNIVERSAL ELECTRONIC TECHNOLOGICAL SOLUTIONS PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**PRISM HOLDINGS PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**PRISM PAYMENT TECHNOLOGIES PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017

**RMT SYSTEMS PROPRIETARY LIMITED**

By:

/s/ Herman G. Kotzé

(who warrants his authority)

**Name:** Herman G. Kotzé

**Date:** February 28, 2017



FORM OF GUARANTEE

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Exhibit 10.52

To: **NET1 APPLIED TECHNOLOGIES SOUTH AFRICA PROPRIETARY LIMITED**

6th Floor, President Place  
Corner of Jan Smuts Avenue and Bolton Road  
Rosebank, 2196

Email address: hermank@net1.com

Fax number: +27 (11) 880 7080

Attention: Herman Kotze

(the  
**Borrower**)

From: **FIRSTRAND BANK LIMITED (ACTING THROUGH ITS RAND MERCHANT BANK  
DIVISION)** (the **Original Senior Lender**)

28 February, 2017

Dear Sirs,

**NET1 APPLIED TECHNOLOGIES SOUTH AFRICA PROPRIETARY LIMITED  
COMMON TERMS AGREEMENT  
SIDE LETTER**

**1. INTRODUCTION**

- 1.1 In this side letter, we refer to the common terms agreement (the **Common Terms Agreement**) dated on or about 20 October, 2016 between, amongst others, Net1 Applied Technologies South Africa Proprietary Limited (the **Borrower**), FirstRand Bank Limited (acting through its Rand Merchant Bank division) (as mandated lead arranger), FirstRand Bank Limited (acting through its Rand Merchant Bank division) (as original senior lender) and FirstRand Bank Limited (acting through its Rand Merchant Bank division) (as facility agent) as amended from time to time.
- 1.2 In this letter:
- 1.2.1 **Longstop Date** means 15 March, 2017 (or such later date as agreed by the Facility Agent); and
- 1.2.2 terms defined in the Common Terms Agreement have the same meaning in this letter, unless given a different meaning in this letter.
- 1.3 The provisions of clause 1.3 (Construction) and 1.4 (Third party rights) of the Common Terms Agreement apply to this letter as though they were set out in full in this letter, except that references to the Common Terms Agreement are to be construed as references to this letter.

**2. AMENDMENTS TO FINANCE DOCUMENTS**

- 2.1 The Borrower and the Original Senior Lender agree, in respect of the Common Terms Agreement and each other relevant Finance Document, to negotiate and amend the terms of the relevant Finance Documents on the basis required to contemplate and permit multiple guarantors to provide Bank Guarantees thereunder and to ensure that only the Original Senior Lender retains the benefit of all amounts credited to the Escrow Account and Security in respect thereof.
- 2.2 If the Parties fail to reach agreement and amend the relevant Finance Documents as set out in Clause 2.1, by the Longstop Date, the Borrower must credit the Escrow Account in cleared funds in an amount not less than R1,400,000,000 within 3 Business Days of the Longstop Date (bringing the balance of the account to not less than R2,000,000,000). The Borrower shall comply with its obligations under this Clause 2.2, by procuring payment of the applicable amount, in Rand, by way of electronic funds transfer directly into the Escrow Account.
-

- 2.3 Failure by the Borrower and the Original Senior Lender to reach agreement and amend the relevant Finance Documents on the basis contemplated in Clause 2.1 or failure by the Borrower to comply with its obligations under Clause 2.2 will constitute an Event of Default under the Common Terms Agreement.

### 3. GENERAL

- 3.1 This letter:
- 3.1.1 is a Finance Document;
  - 3.1.2 is governed by the laws of South Africa;
  - 3.1.3 constitutes the whole agreement between the parties hereto relating to the subject matter hereof;
  - 3.1.4 may not be amended, varied or cancelled, save by written agreement between the parties hereto; and
  - 3.1.5 may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this letter by facsimile transmission shall be effective as delivery of an original executed counterpart hereof.
- 3.2 The parties to this letter hereby irrevocably and unconditionally consent to the non-exclusive jurisdiction of the High Court of South Africa (Gauteng Local Division, Johannesburg) (or any successor to that division) in regard to all matters arising from this letter (including a dispute relating to the existence, validity or termination of this letter or any non-contractual obligation arising out of or in connection with this letter) (a **dispute**). The parties agree that the courts of South Africa are the most appropriate and convenient courts to settle disputes. The parties agree not to argue to the contrary and waive objection to this court on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this letter.
-

If you agree to the above, please sign where indicated below.

Yours sincerely,

**FirstRand Bank Limited (acting through its Rand Merchant Bank division) in its capacity as Facility Agent, Arranger and Original Senior Lender By:**

/s/ Niel van Zyl

/s/ Ziyaad Manie

**Name:**Niel van Zyl

**Name:**Ziyaad Manie

**Office:**Authorised

**Office:**Authorised

(who warrants his authority)

(who warrants his authority)

We agree to the above.

**Net1 Applied Technologies South Africa Proprietary Limited**

By:

/s/ Herman G. Kotzé

**Name:** Herman G. Kotzé

**Office:** Director

(who warrants his authority)

**Name:**

**Office:**

(who warrants his authority)

[INCLUDE ON RMB LETTERHEAD]

Blue Label Telecoms Limited  
75 Grayston Drive  
Morningside  
Sandton  
Attention: The Chief Executive Officer

28 February, 2017

Dear Sirs,

**BANK GUARANTEE**

1. We, FirstRand Bank Limited (acting through its Rand Merchant Bank division), with registration number 1929/001225/06 having our head office at 1st Floor, 4 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196 (the **Guarantor**), provide this bank guarantee (this **Bank Guarantee**) in accordance with clause 5.1.1 (Conditions Precedent) of an amended and restated subscription agreement (the **Subscription Agreement**) concluded on or about 15 November 2016 and further amended on or about 28 February, 2017, February, 2017 between Blue Label Telecoms Limited, registration number 2006/022679/06, (the **Company**) and Net1 Applied Technologies South Africa Proprietary Limited, registration number 2002/031446/07, (the **Subscriber**) in connection with the proposed subscription by the Subscriber of 117,924,528 ordinary shares (the **Shares**) in the Company (**Proposed Subscription**). This Bank Guarantee replaces in its entirety the bank guarantee issued by the Guarantor to the Company dated 15 November 2016, which guarantee is automatically terminated on the issue of this Bank Guarantee.
  2. We understand that:
    - 2.1 the Proposed Subscription will be subject to the terms and conditions set out in the Subscription Agreement;
    - 2.2 the implementation of the Proposed Subscription will be subject to the fulfilment of the condition precedent set out in clause 5.1.2 of the Subscription Agreement (the **Subscription Condition Precedent**) by not later than 16 November 2016; and
    - 2.3 should the Proposed Subscription be implemented in accordance with the terms and conditions of the Subscription Agreement, the aggregate subscription price for the Shares that will be payable by the Subscriber to the Company in accordance with the terms and conditions of the Subscription Agreement will be an amount of R2,000,000,000 (the **Aggregate Subscription Price**).
  3. The Guarantor, subject to the terms of this Bank Guarantee, hereby irrevocably guarantees the payment by the Subscriber to the Company of the Aggregate Subscription Price (the **Guaranteed Amount**).
  4. Subject to compliance with the terms of this Bank Guarantee (including but not limited to the provisions of paragraphs 8.4 and 8.5, and provided the Company has given the Guarantor at least 5 business days' prior written (at its address set out in paragraph 5 below) of the Subscription Date as designated in accordance with the Subscription Agreement, the Company shall be entitled to demand payment from the Guarantor either on (and not before) 10 March, 2017 or before 12h00 on 31 May, 2017 (the **Expiry Date and Time**), of the Aggregate Subscription Price.
  5. The demand against the Guarantor under this Bank Guarantee shall be furnished in writing to the Guarantor at its address: 14th Floor, 1 Merchant Place, 1 Fredman Drive, Sandton, 2196 and marked for the attention of Head of Transaction Management, Investment Banking Division, with a copy to Chris Welthagen and Ziyaad Manie, and shall state that the Company is demanding payment in discharge of the Subscriber's obligation to settle the Aggregate Subscription Price in terms of the Subscription Agreement.
  6. This Bank Guarantee shall be irrevocable and shall remain in full force and effect until the Expiry Date and Time, by which time and date the demand by the Company should have been received at our address. Any demand received at the Guarantor's address after the Expiry Date and Time shall not be considered.
-

7. This Bank Guarantee shall be governed by, and construed in all respects in accordance with, the laws of the Republic of South Africa.
8. Notwithstanding anything contained herein above:
- 8.1 the Guarantor's maximum liability under this Bank Guarantee shall not exceed the Guaranteed Amount;
- 8.2 this Bank Guarantee shall be valid only until the earlier of the following times:
- 8.2.1 the time of day on the date on which the Aggregate Subscription Price is received by the Company (in the Designated Account under (and as defined in) the Subscription Agreement) (the **Designated Account**) from the Guarantor on behalf of the Subscriber;
- 8.2.2 the delivery to the Company of two or more guarantees given by any of the Guarantor, Investec Bank Limited, Nedbank Limited or The Standard Bank of South Africa Limited, or (with the Company's prior written consent) any of their affiliates, on terms equivalent to those of this Bank Guarantee (save for such amendments necessary to take account of (i) the change in identity of the guarantor, (ii) the fact that the guarantor will only be guaranteeing a portion of the Aggregate Subscription Price, (iii) the change in address and contact details for any demand made by the Company under the guarantee, and (iv) the change in delivery address of a MAC Notice) and in an aggregate amount equal to the Guaranteed Amount;
- 8.2.3 the delivery of any notice in terms of paragraph 8.5;
- 8.2.4 the date on which the shareholders of the Company, in general meeting, vote against placing the Shares under control of directors of the Company for purposes of issuing the Shares to the Subscriber; and
- 8.2.5 the Expiry Date and Time,
- at which time it shall automatically expire and be of no further force or effect. Any demand received at the Guarantor's address after such expiry shall not be considered;
- 8.3 the Guarantor is liable to immediately (i.e. within 1 business day) pay the Guaranteed Amount into the Designated Account but only if you serve upon it a demand as stated above before the Expiry Date and Time, where after it ceases to be in effect and all the Company's rights under this Bank Guarantee shall be forfeited and the Guarantor shall be discharged from all liability under this Bank Guarantee, whether or not the original guarantee is returned to the Guarantor;
- 8.4 any demand for payment under this Bank Guarantee shall be accompanied by written confirmation from the Company to the Subscriber and the Guarantor confirming that, as at the day immediately prior to the date on which such demand is delivered to the Guarantor (the **Confirmation Date**), (i) no event contemplated in the Annex to this Bank Guarantee (other than clause 9.1.7 of such Annex) has occurred on or before the Confirmation Date; and (ii) in respect of clause 9.1.7 of the attached Annex, a positive statement that the relevant warranties in clause 8.1 of the Subscription Agreement are true and correct in all respects as at the Confirmation Date;
- 8.5 the delivery by the Subscriber of a written notice in terms of the provisions of clause 8.2 of the Subscription Agreement (Conditions to Subscription and Subscriber's Right to Terminate) (the **MAC Notice**) at any time prior to 17h00 on the Confirmation Date (the **MAC Cut Off Date and Time**) in terms of which it summarily terminates the Subscription Agreement, to the Company (and with a copy to the Guarantor), shall cause this Bank Guarantee to immediately and automatically expire and cease to be of any further force or effect and any payment demand made by the Company under this Bank Guarantee after delivery of the MAC Notice shall therefore be a nullity and shall not be considered, provided that no MAC Notice delivered after the MAC Cut Off Date and Time shall be considered a nullity under this Bank Guarantee and shall not be considered. The MAC Notice shall be furnished in writing to the Guarantor at its address: 14th Floor, 1 Merchant Place, 1 Fredman Drive, Sandton, 2196 and marked for the attention of Head of Transaction Management, Investment Banking Division, with a copy to Chris Welthagen and Ziyaad Manie prior to the MAC Cut Off Date and Time;
-

- 8.6 only the Company shall be entitled to demand payment of any sum from the Guarantor under this Bank Guarantee; and
- 8.7 no payment of all or any part of the Guaranteed Amount shall be made if doing so would be illegal or contrary to applicable law.
9. This Bank Guarantee is neither negotiable nor transferable.
10. Promptly on receipt by the Company of the Aggregate Subscription Price as contemplated in paragraph 8.2.1 and, in any event, by no later than 3 Business Days thereafter, the Company shall deliver to the Guarantor the original of the Bank Guarantee at the address set out in paragraph 5.
-



/s/ Niel van Zyl

For and on behalf of:  
**FirstRand Bank Limited (acting through  
its Rand Merchant Bank division)**

Name: Niel van Zyl

Office: Authorised

/s/ Herman G. Kotzé

For and on behalf of:  
**NET1 APPLIED TECHNOLOGIES SOUTH  
AFRICA PROPRIETARY LIMITED**

Name: Herman G. Kotzé

Office: Director

/s/ Ziyaad Manie

For and on behalf of:  
**FirstRand Bank Limited (acting through  
its Rand Merchant Bank division)**

Name: Ziyaad Manie

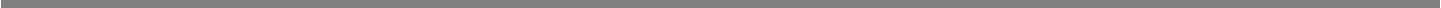
Office: Authorised

/s/ Brett M. Levy

For and on behalf of:  
**BLUE LABEL TELECOMS LIMITED**

Name: B.M Levy

Office: CEO



**EXTRACT FROM CLAUSE 9.1 OF THE SUBSCRIPTION AGREEMENT**

**9 CONDITIONS TO SUBSCRIPTION AND SUBSCRIBER'S RIGHT TO TERMINATE**

- 9.1 *Notwithstanding anything to the contrary contained in this Agreement (including the fulfilment or waiver, as the case may be, of the Condition Precedent), the Subscriber will only be obliged to subscribe for the Subscription Shares if, as at 23h50 on the day immediately preceding the Subscription Date -*
- 9.1.1 *neither the Group nor any Group Company has disposed of any of its material assets outside of the ordinary or usual course of business;*
- 9.1.2 *no Group Company has been liquidated or placed under judicial management, whether provisionally or finally (and no application has been launched in this regard);*
- 9.1.3 *no Group Company has commenced business rescue proceedings under the Companies Act;*
- 9.1.4 *no Group Company has, in respect of the 18 (eighteen) month period prior to the Signature Date, committed an act which, if it were a natural person would constitute an act of insolvency as defined in the Insolvency Act, No 24 of 1936, or any other applicable Act;*
- 9.1.5 *no Group Company has, in respect of the 18 (eighteen) month period prior to the Signature Date, compromised with its creditors generally, or attempted to do so;*
- 9.1.6 *in respect of the 18 (eighteen) month period prior to the Signature Date, no material creditor of any Group Company has given notice of its intention to take any action to enforce its rights and/or remedies in terms of any material debt owed to it;*
- 9.1.7 *each of the warranties contained in clause 8.1 is true and correct in all respects; and*
- 9.1.8 *no interdict, judgment or other order or action of any court or governmental authority restraining, prohibiting or rendering illegal the implementation of the transactions contemplated hereby shall be in effect, and no legal proceeding shall have been instituted by any person (including any governmental authority) seeking to prohibit, restrict or delay or declare illegal the implementation of the transactions contemplated in this Agreement.*
-

**Net1 extends Blue Label subscription date and amends related guarantee; announces proposed investments in Cell C and DNI**

Johannesburg, March 1, 2017 – Net 1 UEPS Technologies, Inc. (“Net1” or the “Company”) (NasdaqGS: UEPS; JSE: NT1) today announced that it has agreed with Blue Label Telecoms Limited (“Blue Label”) to extend the subscription date for the Company's proposed 15% investment in Blue Label. On February 27, 2017 Blue Label announced that it was party to a binding umbrella restructure agreement with Cell C and other relevant parties, in terms of which Blue Label's proposed subscription for 45% of the share capital of Cell C was confirmed. The binding restructure agreement is subject to the conclusion of the relevant transaction agreements by no later than June 30, 2017.

Net1 and Blue Label have accordingly agreed to extend the subscription date from February 28, 2017, to no later than June 30, 2017, in order to afford Blue Label the necessary flexibility to close its proposed Cell C transaction.

The Company, Blue Label and FirstRand Bank Limited, acting through its Rand Merchant Bank division (“RMB”) have agreed to amend the ZAR 2 billion guarantee issued by RMB in favour of Blue Label by extending the expiry date to May 31, 2017. All other terms of the loan facilities obtained from RMB in October 2016 remain the same.

The Company is also a party to the umbrella restructure agreement with Cell C and has offered to acquire a direct stake of 15% of the issued share capital of Cell C for a consideration of ZAR 2 billion.

The Company has also concluded a memorandum of understanding to acquire 49.6% of DNI-4PL Contracts (Pty) Ltd (“DNI”), with an option to acquire a controlling stake in DNI in the future. DNI is the leading distributor of mobile subscriber starter packs for Cell C and also distributes pre-paid airtime through an extensive network of field operatives and agents.

The proposed investments in Cell C and DNI are subject to certain conditions, including the satisfactory completion of due diligence, the required internal and external approvals and the execution of definitive transaction agreements. The Company intends to settle the purchase consideration for these two investments using a combination of surplus cash, debt and new equity placement.

“The combination of the diverse technological, commercial and logistical capabilities of Net1, Blue Label, Cell C and DNI provides a substantial and compelling business case for us,” said Serge Belamant, Chairman and CEO of Net1. “We are very excited about concluding these transformational transactions and will provide further details regarding the rationale for these transactions, the final consideration paid and the funding structure when the transactions close.”

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**About Net1 ([www.net1.com](http://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. The Company intends to deploy its varied mobile solutions through its ZAZOO business unit, which is an aggregation of innovative technology companies and is based in the United Kingdom.

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 Blue Label, Cell C and DNI not closing; RMB failing to provide the loans or honour the guarantee; failing to conclude an equity placement; 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.

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**Investor Relations Contact:**

Dhruv Chopra

Head of Investor Relations

Phone: +1-917-767-6722

Email: [dchopra@net1.com](mailto:dchopra@net1.com)

**Financial Adviser and Transaction Sponsor:**

Rand Merchant Bank, a division of FirstRand Bank Limited

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