

NET 1 UEPS TECHNOLOGIES INC  
Form 10QSB  
November 14, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB  
(Mark One)

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2002  
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OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
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Commission File Number: 65-0903895  
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NET 1 UEPS TECHNOLOGIES, INC.  
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(Exact name of Registrant as specified in its Charter)

FLORIDA

65-0903895  
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(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

Suite 325-744 West Hastings Street, Vancouver, British Columbia, Canada V6C  
1A5  
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(Address of executive offices)

(Zip Code)

Registrant's telephone number, including area code: (604) 669-4561  
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Former Name, Former Address and Former Fiscal Year, if changed since last Report.

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable dated.

Common Stock Outstanding as of November 13, 2002: 15,852,856 Shares

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NET 1 UEPS TECHNOLOGIES, INC.  
(A development stage company)

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Form 10-QSB  
For the Quarter Ended September 30, 2002

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying consolidated financial statements are prepared in accordance with the instructions to Form 10-QSB, are unaudited and do not include all the information and disclosures required by generally accepted accounting principles for complete financial statements. These financial statements should be read in conjunction with the Company's annual report on Form 10-KSB for the year ended December 31, 2001. All adjustments that, in the opinion of management, are necessary for a fair presentation of the results of operations for the interim periods have been made and are of a recurring nature unless otherwise disclosed herein. The results of operations for such interim periods are not necessarily indicative of results of operations for a full year.

Condensed Balance Sheet as of September 30, 2002 (unaudited) and as of December 31, 2001 (audited).

Condensed Statements of Operations (unaudited) for the three months ended September 30, 2002 and 2001, for the nine months ended September 30, 2002 and 2001 and from the Company's inception, May 8, 1997 through September 30, 2002.

Condensed Statements of Cash Flows (unaudited) for the nine months ended September 30, 2002 and 2001.

Notes to Financial Statements.

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Net 1 UEPS Technologies, Inc.  
(A Development Stage Company)  
Balance Sheets

| September 30,<br>2002 | December 31,<br>2001 |
|-----------------------|----------------------|
| \$                    | \$                   |

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|                                                                                                               | (unaudited) | (audited)   |
|---------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Assets                                                                                                        |             |             |
| Current Assets                                                                                                |             |             |
| Cash                                                                                                          | 20,678      | 57,289      |
| Accounts receivable (Note 5(c))                                                                               | 148,129     |             |
| Prepaid expenses                                                                                              |             | 30,000      |
| Total Current Assets                                                                                          | 168,807     | 87,289      |
| Property, Plant and Equipment (Note 3)                                                                        | 73          | 394         |
| Intangible Assets (Note 4)                                                                                    | 2,509       | 3,219       |
| Total Assets                                                                                                  | 171,389     | 90,902      |
| Liabilities and Stockholders' Deficit                                                                         |             |             |
| Current Liabilities                                                                                           |             |             |
| Accounts payable (Note 5(d))                                                                                  | 512,246     | 148,227     |
| Accrued liabilities                                                                                           | 10,080      | 10,000      |
| Total Current Liabilities                                                                                     | 522,326     | 158,227     |
| Contingent Liabilities (Note 1)                                                                               |             |             |
| Stockholders' Deficit                                                                                         |             |             |
| Common Stock, 100,000,000 shares authorized, par value \$.001 per share,<br>15,852,856 issued and outstanding | 15,853      | 15,853      |
| Additional Paid in Capital                                                                                    | 1,991,519   | 1,991,519   |
|                                                                                                               | 2,007,372   | 2,007,372   |
| Preferred Stock, 3,000,000 shares authorized, par value \$0.10 per share,<br>none issued                      |             |             |
| Deficit Accumulated During the Development Stage                                                              | (2,358,309) | (2,074,697) |
| Total Stockholders' Deficit                                                                                   | (350,937)   | (67,325)    |
| Total Liabilities and Stockholders' Deficit                                                                   | 171,389     | 90,902      |

(See accompanying notes)

Net 1 UEPS Technologies, Inc.  
(A Development Stage Company)  
Statements of Operations  
(unaudited)

|             |              |             |
|-------------|--------------|-------------|
| Accumulated |              |             |
| From        |              |             |
| May 8, 1997 | Three Months | Nine Months |

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|                                     | (Inception) to<br>September 30,<br>2002<br>\$ | Ended<br>September 30,<br>2002<br>\$ | 2001<br>\$ | Ended<br>September 30,<br>2002<br>\$ | 2001<br>\$ |
|-------------------------------------|-----------------------------------------------|--------------------------------------|------------|--------------------------------------|------------|
| Revenues                            | 157,565                                       |                                      |            | 157,565                              |            |
| Administrative Expenses             |                                               |                                      |            |                                      |            |
| Amortization                        | 8,899                                         | 338                                  | 599        | 1,030                                | 1,797      |
| Bank charges                        | 7,446                                         | 215                                  | 800        | 587                                  | 2,206      |
| Consulting (Note 5)                 | 968,933                                       | 46,500                               | 46,500     | 139,500                              | 136,438    |
| Foreign exchange                    | 8,098                                         |                                      |            |                                      |            |
| Investor relations                  | 61,093                                        |                                      |            |                                      |            |
| Office, rent and telephone          | 131,853                                       | 152                                  | 2,101      | 2,574                                | 5,468      |
| Professional fees                   | 368,348                                       | 8,635                                | 19,582     | 20,369                               | 34,199     |
| Subcontract                         | 650,925                                       | 90,000                               | 90,000     | 270,000                              | 270,000    |
| Transfer agent and regulatory fees  | 25,107                                        |                                      |            |                                      | 127        |
| Travel                              | 286,018                                       | 1,000                                | 34,961     | 7,204                                | 58,487     |
| Less interest income                | (846)                                         | (23)                                 | (74)       | (87)                                 | (241)      |
|                                     | 2,515,874                                     | 146,817                              | 194,469    | 441,177                              | 508,481    |
| Net Loss                            | (2,358,309)                                   | (146,817)                            | (194,469)  | (283,612)                            | (508,481)  |
| Net Loss Per Share                  |                                               | (0.01)                               | (0.01)     | (0.02)                               | (0.03)     |
| Weighted Average Shares Outstanding |                                               | 15,853,000                           | 15,853,000 | 15,853,000                           | 15,853,000 |

(Diluted loss per share has not been presented as the result is anti-dilutive)

(See accompanying notes)

Net 1 UEPS Technologies, Inc.  
(A Development Stage Company)  
Statements of Cash Flows  
(unaudited)

|                                          | Nine Months<br>Ended<br>September 30,<br>2002<br>\$ | 2001<br>\$ |
|------------------------------------------|-----------------------------------------------------|------------|
| Cash Flows to Operating Activities       |                                                     |            |
| Net loss                                 | (283,612)                                           | (508,481)  |
| Adjustment to reconcile net loss to cash |                                                     |            |
| Amortization                             | 1,030                                               | 1,797      |
| Change in non-cash working capital items |                                                     |            |
| (Increase) in accounts receivable        | (148,129)                                           |            |

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|                                                                 |          |           |
|-----------------------------------------------------------------|----------|-----------|
| Increase (decrease) in accounts payable and accrued liabilities | 364,100  | (30,878)  |
| Decrease in prepaid expenses                                    | 30,000   |           |
| <hr/>                                                           |          |           |
| Net Cash Used in Operating Activities                           | (36,611) | (537,562) |
| <hr/>                                                           |          |           |
| Cash Flows from Financing Activities                            |          |           |
| <hr/>                                                           |          |           |
| Cash Flows to Investing Activities                              |          |           |
| <hr/>                                                           |          |           |
| Decrease in cash                                                | (36,611) | (537,562) |
| Cash - beginning of period                                      | 57,289   | 789,613   |
| <hr/>                                                           |          |           |
| Cash - end of period                                            | 20,678   | 252,051   |
| <hr/>                                                           |          |           |
| Non-Cash Financing Activities                                   |          |           |
| <hr/>                                                           |          |           |
| Supplemental Disclosures                                        |          |           |
| Interest paid                                                   |          |           |
| Income tax paid                                                 |          |           |
| <hr/>                                                           |          |           |

(See accompanying notes)

Net 1 UEPS Technologies, Inc.  
(A Development Stage Company)  
Notes to the Financial Statements  
(unaudited)

## 1. Development Stage Company

Net 1 UEPS Technologies, Inc. herein ( the Company ) was incorporated in the State of Florida on May 8, 1997.

The Company is a development stage company engaged in the business of commercializing the smart card technology based Universal Electronic Payment System ( UEPS ) and Funds Transfer System ( FTS ) through the development of strategic alliances with national and international bank and card service organizations. The patent rights (or applications for patents) of the UEPS/FTS technology are for all worldwide territories (except South Africa and its surrounding territories) are held by Net 1 Holdings S.a.r.l., a company incorporated in Luxembourg ( Net 1 Holdings ). See Note 4 for a discussion on the FTS European patent being revoked.

The Company entered into a license agreement, dated May 19, 1997 (the License Agreement ), with Net 1 Holdings, Net 1 Operations S.a.r.l. and Net 1 Pty (collectively, the Licensors ), where the licensors granted a non-exclusive license to the Company for the UEPS technology for the issuance of 5,412,244 shares at a fair market value of \$0.001 per share. On October 1, 1997 an Amendment to the License Agreement was signed that provided for the transfer of the ownership of the UEPS technology and FTS and for the assignment of the Technology License Agreement between VISA International Service Association and Net 1 Holdings, dated July 31, 1997 (the Visa Agreement ) to the Company in consideration for 4,729,612 shares. The assignment of the Visa Agreement and the transfer of the ownership of the UEPS technology and FTS to the Company were never consummated because certain conditions precedent were never satisfied. On May 3, 2000 an agreement

entitled Patent and Technology Agreement was entered into between the Company and Net 1 Holdings that granted the Company an exclusive marketing license for the UEPS technology and the FTS for the world excluding South Africa and its surrounding territories under terms similar to those stipulated in the Amendment to the License Agreement. No conditions precedent were stipulated. Net 1 Holdings owns 64% of the Company's common shares.

In a development stage company, management devotes most of its activities to establishing a new business primarily, the development of a detailed business plan, marketing strategy and the raising of funds required to develop and operate the business successfully. Planned principal activities have not yet produced revenues and the Company has suffered recurring operating losses as is normal in development stage companies. These factors raise doubt about the Company's ability to continue as a going concern. The ability of the Company to emerge from the development stage with respect to its planned principal business activity is dependent upon its successful efforts to raise additional equity financing, receive funding from affiliates and controlling shareholders, and develop a market for its products.

In order to meet expenses over the next twelve months the Company is actively searching for additional equity financing. The Company is also receiving the support of certain related party creditors to postpone payment for a twelve-month period. Net 1 Holdings, a controlling shareholder and debtor are paying certain company expenses to the Company, as a reduction of amounts due to the Company.

## 2. Summary of Significant Accounting Policies

### (a) Property, Plant and Equipment

Computer equipment is amortized over five years on a straight-line basis.

### (b) Long-Lived Assets

Costs to acquire exclusive license rights to specific technology are considered Long-Lived assets and are capitalized as incurred. These costs are being amortized on a straight-line basis over five years. Intangible assets are evaluated in each reporting period to determine if there were events or circumstances, which would indicate a possible inability to recover the carrying amount. Such evaluation is based on various analyses including assessing the Company's ability to bring the commercial applications to market, related profitability projections and undiscounted cash flows relating to each application which necessarily involves significant management judgment.

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Net 1 UEPS Technologies, Inc.  
(A Development Stage Company)  
Notes to the Financial Statements  
(unaudited)

## 2. Summary of Significant Accounting Policies (continued)

### (c) Foreign Currency Transactions/Balances

Transactions in currencies other than the U.S. dollar are translated at the rate in effect on the transaction date. Any balance sheet items denominated in foreign currencies are translated into U.S. dollars using the rate in effect on the balance sheet date.

(d) Revenue Recognition

The Company receives revenue from Net 1 Holdings from all sales of licenses equal to the Net 1 Holdings annual net profit before amortization as certified by its auditors in its annual financial statement. The Company recognizes revenue in the period when the audited financial statements of Net 1 Holdings become available. The Company reports revenue on a net basis as the Company is acting as an agent for Net 1 Holdings as per the Patent and Technology Agreement dated May 3, 2000.

(e) Basic and Diluted Net Income (Loss) per Share

The Company computes net income (loss) per share in accordance with SFAS No. 128, Earnings per Share (SFAS 128). SFAS 128 requires presentation of both basic and diluted earnings per shares (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential common shares if their effect is antidilutive.

(f) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods. Actual results could differ from those estimates.

(g) Interim Financial Statements

These interim unaudited financial statements have been prepared on the same basis as the annual financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

3. Property, Plant and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization.

|      |              | September   |              |
|------|--------------|-------------|--------------|
|      | Accumulated  | 30,         | December 31, |
|      | Depreciation | 2002        | 2001         |
|      | And          | Net Book    | Net Book     |
| Cost | Amortization | Value       | Value        |
| \$   | \$           | \$          | \$           |
|      |              | (unaudited) | (audited)    |

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|                                 |       |       |    |     |
|---------------------------------|-------|-------|----|-----|
| Computer equipment and software | 2,181 | 2,108 | 73 | 394 |
|---------------------------------|-------|-------|----|-----|

Net 1 UEPS Technologies, Inc.  
(A Development Stage Company)  
Notes to the Financial Statements  
(unaudited)

#### 4. Intangible Assets

|                            |       |                             | September<br>30,<br>2002 | December<br>31,<br>2001 |
|----------------------------|-------|-----------------------------|--------------------------|-------------------------|
|                            | Cost  | Accumulated<br>Amortization | Net Book<br>Value        | Net Book<br>Value       |
|                            | \$    | \$                          | \$<br>(unaudited)        | \$<br>(audited)         |
| Exclusive License (Note 1) | 9,361 | 6,852                       | 2,509                    | 3,219                   |

The Funds Transfer Systems was first patented in South Africa in 1989. The European patent was granted on December 28, 1994, with effect in Austria, Belgium, Switzerland, Germany, Denmark, Spain, France, Great Britain, Greece, Italy, Liechtenstein, Luxembourg, Netherlands and Sweden. The European Patent Convention provides for an opposition period immediately following the grant of a European patent, and six parties filed an opposition to the grant of the patent on the grounds that the invention was not patentable. The case was heard before a Board of the Opposition Division in March 1998, when the patent was upheld in a form slightly different than the original application. Following the issue of the formal decision, a number of the opponents filed an appeal. The oral proceedings for the second appeal were heard on October 10, 2002 whereby the appeal board reversed its earlier decision. Consequently the European patent has been revoked and there is no possibility of any further appeal. As a result the Company will be unable to collect royalties or fees for patent infringement in Europe.

#### 5. Related Party Transactions

Transactions with related parties are recorded at their exchange amounts.

- (a) Consulting fees include \$112,500 (2001 - \$112,500) paid or payable to a director.
- (b) Subcontract costs include \$270,000 (2001 - \$270,000) paid or payable to a Company with a common director.
- (c) See Note 1 for an exclusive license purchased from Net 1 Holdings, a controlling shareholder, during fiscal 2000. Sales of \$157,565 were recognized on March 31, 2002 of which \$148,129 is still receivable from Net 1 Holdings.
- (d) On January 29, 2002, pursuant to a Director's Resolution, unpaid consulting fees and subcontract costs, totalling \$344,953 as at September 30, 2002, have been postponed until the Company has sufficient funds to pay.

## Item 2. Management's Discussion and Analysis or Plan of Operations

### General

Management's discussion and analysis contains various forward looking statements within the meaning of the Securities and Exchange Act of 1934. These statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as "may," "expect," "anticipate," "estimates" or "continue" or use of negative or other variations of comparable terminology. Management cautions that these statements are further qualified by important factors that could cause actual results to differ materially from those contained in forward looking statements, that these forward looking statements are necessarily speculative, and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in forward looking statements.

### Results of Operations

Three months ended September 30, 2002 compared to the three months ended September 30, 2001 and the nine months ended September 30, 2002 compared to the nine months ended September 30, 2001.

Management has been actively involved in negotiations to secure sufficient equity and/or debt financing to fund the Company's business plans. In the short term, management has suspended various expenses including the Consulting Agreement with its CEO, Claude Guerard and its Outsourcing Agreement with Net 1 Investment Holdings, Ltd., the Company's UEPS integrators for the Central Europe, Middle East and African regions.

On November 6, 2002, the Company retained Investec Limited, an international merchant banking group, to provide corporate finance services and assistance in order to secure equity and/or debt funding for the Company.

The Company continues in negotiations with potential licensees of the FTS/UEPS technology in Kenya, Ghana, Congo, Uganda, Tanzania, Zambia, Madagascar and Australia. An Australian organization wishes to implement FTS based systems in Australia and New Zealand. Negotiations have been extended with the Australian organization as the License Agreement being compiled has been expanded to include various applications and territories in the Far East.

Revenues: The Company is still in its development stage and principal activities have produced revenues of \$157,565 which represent license fees collected by Net 1 Holdings during calendar year 2001 from licensees in Burundi, Latvia, Ghana, CIS, and Malawi.

Net 1 receives revenue from Net 1 Holdings from all sales of licenses equal to Net 1 Holdings annual net profit before amortization as certified by its auditors in its annual financial statement. Net 1 recognized the revenue in the period when the audited financial statements of Net 1 Holdings become available and will report the revenue on a net basis

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as the Company is acting as an agent for Net 1 Holdings as per the Patent and Technology agreement dated May 3, 2000.

Administrative Expenses: Administrative expenses decreased from \$194,469 for the three months ended September 30, 2001 to \$146,817 for the three months ended September 30, 2002, a decrease of \$47,652; and decreased from \$508,481 for the nine months ended September 30, 2001 to \$441,177 for the nine months ended September 30, 2002, a decrease of \$67,304. The decrease resulted primarily from a reduction in travel expenses and professional fees.

The majority of the administrative expenses can be attributed to the subcontract fees paid pursuant to an outsourcing agreement with Net 1 Investment Holdings, Ltd., the Company's UEPS integrator for the Central Europe, Middle East and African regions. Management has suspended payments to Net 1 Investment Holdings Ltd. and Claude Guerard

under his Consulting Agreement which in the three months ending September 30, 2002 accounted for \$90,000 and \$37,500 respectively, and \$90,000 and \$37,500 respectively for the three months ending September 30, 2001; and for the nine months ending September 30, 2002 accounted for \$270,000 and \$112,500 respectively; and \$270,000 and \$112,500 respectively for the nine months ending September 30, 2001.

Management intends to keep operating expenses at the lowest possible level by developing outsourcing policies.

Liquidity and Capital Resources: The primary source of the Company's cash has been through the sale of equity. Currently, the Company does not have available any established lines of credit with banking facilities.

The Company recognized revenue of \$157,565 on March 31, 2002 from license fees collected up to December 31, 2001, by Net 1 Holdings of which \$148,129 is still receivable. Additional fees from the sale of new licenses and recurring annual license fees from existing licensees will accrue to the Company during 2002.

The Company anticipates raising additional funds from the sale of equity during the current fiscal year. Such funds will be used for working capital.

The Company believes its current available cash position and revenues due from Net 1 Holdings is sufficient to meet its cash needs on a short-term basis, but the Company will need additional capital to aggressively pursue its business plans.

The Company's ability to continue as a going concern is dependent upon the Company's ability in the near future to (i) raise additional funds through equity financings involving affiliates, controlling shareholders, and unrelated parties, and (ii) further develop markets for its products.

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### Item 3. Controls and Procedures

#### Evaluation of disclosure controls and procedures

Within the 90 days prior to the filing date of this report, the Company carried out an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. This evaluation was done under the supervision and with the participation of the Company's Chairman, Chief Executive Officer and Principal Financial Officer. Based upon that evaluation, they concluded that the Company's disclosure controls and procedures are effective in gathering, analyzing and disclosing information needed to satisfy the Company's disclosure obligations under the Exchange Act.

#### Changes in internal controls

There were no significant changes in the Company's internal controls or in other factors that could significantly affect those controls since the most recent evaluation of such controls.

## PART II. OTHER INFORMATION

### Item 6. Exhibits and Reports on Form 8-K.

#### (a) Exhibits required by Item 601 of Regulation S-B

99.1 Certification of Principal Executive Officer

99.2 Certification of Principal Accounting Officer

(b) Reports on Form 8-K

On October 10, 2002, the Company filed the following report on Form 8-K:

As previously reported, Net 1 has an exclusive marketing license for its UEPS technology and funds transfer system for the world excluding South Africa. The system was first patented in South Africa in 1989 and the European patent was filed in October 1990 and granted in December 1994. The U.S. patent was granted in December 29, 1992. The European Patent Convention provides for an opposition period following the grant of a European patent, and six parties filed an opposition to the grant of the patent on the grounds that the invention was not patentable. As previously disclosed, the case was heard before a Board of the Opposition Division in March 1998 and the patent was upheld. Following the issue of the formal decision a number of the opponents filed a second appeal. The oral proceedings for the second appeal were heard on October 10, 2002 and we are informed that the Appeal Board reversed its earlier decision.

Consequently, the patent has been revoked relative to Europe and there will be no possibility of any further appeal. The formal written decision from the Appeal Board should be provided in the next two-to-three months.

The Company's patent in the U.S. remains in full force and effect, and Net 1 is not aware of any challenges to the U.S. patent. The economic loss for the Company will be the lost opportunity to collect royalties/fees for patent infringement in Europe. However, the Company's business plan and forecast did not account for such royalties as a source of revenue either in the short or medium term, as the key to Net 1's operations in Europe was based on its know-how and ability to exploit the technology rather than based on an exclusive proprietary right. Accordingly, while the Company is disappointed in this ruling, it is not expected to have a material adverse effect on Net 1.

SIGNATURE

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

DATED: November 14, 2002      NET 1 UEPS TECHNOLOGIES, INC.

By:

/s/ Claude Guerard

Claude Guerard, CEO

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE

TITLE

DATE

/s/ Serge Belamant

Chairman

November 14, 2002

Serge Belamant

/s/ Claude Guerard                      Director and C.E.O

November 14, 2002

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Claude Guerard

/s/ David Anthony                      Treasurer and Secretary

November 14, 2002

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David Anthony

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**CERTIFICATION BY PRINCIPAL EXECUTIVE OFFICER**

I, Claude Guerard, the principal executive officer of Net 1 UEPS Technologies, Inc., a Florida corporation (the Registrant ), certify that:

1. I have reviewed this quarterly report on Form 10-QSB for the fiscal quarter ended September 30, 2002, of the Registrant (the Report ).

2. Based on my knowledge, the Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Report.

3. Based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in the Report.

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the Report is being prepared.

b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of the Report (the Evaluation Date ); and

c) presented in the Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the Audit Committee of the Registrant's Board of Directors:

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role

in the Registrant's internal control.

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6. The Registrant's other certifying officers and I have indicated in the Report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: November 13, 2002      /s/ Claude Guerard

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Name: Claude Guerard  
Title: Principal Executive  
Officer

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**CERTIFICATION BY PRINCIPAL FINANCIAL OFFICER**

I, David Anthony, the principal financial officer of Net 1 UEPS Technologies, Inc., a Florida corporation (the Registrant), certify that:

1. I have reviewed this quarterly report on Form 10-QSB for the fiscal quarter ended September 30, 2002, of the Registrant (the Report).

2. Based on my knowledge, the Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Report.

3. Based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in the Report.

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the Report is being prepared.

b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of the Report (the Evaluation Date); and

c) presented in the Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the Audit Committee of the Registrant's Board of Directors:

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant'

auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control.

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6. The Registrant's other certifying officers and I have indicated in the Report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: November 13, 2002      /s/ David Anthony

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Name: David Anthony  
Title: Principal Financial Officer

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Exhibit 99.1

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report of Net 1 UEPS Technologies, Inc. (the "Company") on Form 10-QSB for the period ending September 30, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Claude Guerard, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fully presents, in all material respects, the financial condition and results of operations of the Company.

November 13, 2002      By: /s/ Claude Guerard

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Claude Guerard

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Exhibit 99.2

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

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In connection with the accompanying Quarterly Report of Net 1 UEPS Technologies, Inc. (the Company ) on Form 10-QSB for the period ending September 30, 2002, as filed with the Securities and Exchange commission on the date hereof (the Report ), I, David Anthony, Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fully presents, in all material respects, the financial condition and results of operations of the Company.

November 13, 2002 By:

/s/ David Anthony

David Anthony

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