

NET 1 UEPS TECHNOLOGIES INC  
Form 10QSB  
May 15, 2003

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 March 31, 2003  
-----

OR

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

For the transition period from to  
-----

Commission File Number: 65-0903895  
-----

NET 1 UEPS TECHNOLOGIES, INC.  
-----

(Exact name of Registrant as specified in its Charter)

FLORIDA

65-0903895

(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  
-----

(Address of executive offices)

(Zip Code)

Registrant's telephone number, including area code: (604) 669-4561  
-----

-----  
Former Name, Former Address and Former Fiscal Year, if changed since last  
Report.

---

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

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 April 30, 2003: 15,852,856 Shares

---

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

TABLE OF CONTENTS

Form 10-QSB  
For the Quarter Ended March 31, 2003

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, 2002. 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 March 31, 2003 (unaudited) and as of December 31, 2001 (audited).

Condensed Statements of Operations (unaudited) for the three months ended March 31, 2003 and 2002 and from the Company's inception, May 8, 1997 through to March 31, 2003.

Condensed Statements of Cash Flows (unaudited) for the three months ended March 31, 2003 and 2002.  
Notes to Financial Statements.

Net 1 UEPS Technologies, Inc.

(A Development Stage Company)  
Balance Sheets

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

---

March 31, 2003	December 31, 2002
-------------------	----------------------

Edgar Filing: NET 1 UEPS TECHNOLOGIES INC - Form 10QSB

	(unaudited)		(audited)
<b>Assets</b>			
Current Assets			
Cash	\$ 17,618	\$	20,054
Accounts receivable	104,691		91,703
Prepaid expenses	-		-
<hr/>			
Total Current Assets	122,309		111,757
Property, Plant and Equipment (Note 3)	-		9
Intangible Assets (Note 4)	2,036		2,273
<hr/>			
Total Assets	\$ 124,345	\$	114,039
<hr/>			
<b>Liabilities and Stockholders Deficit</b>			
Current Liabilities			
Accounts payable	\$ 369,801	\$	337,503
Accrued liabilities	1,725		10,803
<hr/>			
Total Current Liabilities	371,526		348,306
Stockholders Deficit			
Share capital			
Authorized			
3,000,000 preferred shares with \$0.001 par value			
100,000,000 common shares with \$0.001 par value			
Issued			
15,852,856 common shares	15,853		15,853
Additional paid-in capital	1,991,519		1,991,519
Deficit accumulated during the development stage	(2,254,553)		(2,241,639)
<hr/>			
Total Stockholders Deficit	(247,181)		(234,267)
<hr/>			
Total Liabilities and Stockholders Deficit	\$ 124,345	\$	114,039
<hr/>			

(See accompanying notes)

**F1**

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

	Three months ended March 31,		Accumulation from May 8, 1997 (Inception) to March 31, 2003
	2003	2002	
Revenues	\$ 41,017	\$ 157,565	\$ 198,582
Expenses			
Amortization	246	346	9,446
Bank charges	57	255	7,738
Consulting (Note 5)	41,500	46,500	1,061,933
Foreign exchange	-	-	8,098
Investor relations	-	-	61,093
Office, rent and telephone	2,051	2,257	138,210
Professional fees	9,142	3,207	381,050
Subcontract (Note 5)	-	90,000	455,972
Transfer agent and regulatory fees	150	-	25,257
Travel	806	5,204	305,226
Less interest income	(21)	(31)	(888)
Total Expenses	53,931	147,738	2,453,135
Net Loss	\$ (12,914)	\$ 9,827	\$ (2,254,553)
Net Loss Per Share	\$ -	\$ -	\$ -
Weighted Average Shares Outstanding	15,853,000	15,853,000	

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

(See accompanying notes)

F2

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

Edgar Filing: NET 1 UEPS TECHNOLOGIES INC - Form 10QSB

	Three months ended March 31,		Accumulation from May 8, 1997 (Inception) to March 31, 2003
	2003	2002	
<b>Cash Flows From Operating Activities</b>			
Net Loss	\$ (12,914)	\$ 9,827	\$ (2,254,553)
Adjustments to reconcile net loss to cash			
Amortization	246	346	9,446
<b>Changes in non-cash working capital items</b>			
Increase (decrease) in accounts payable	23,220	91,113	371,528
(Increase) in accounts receivable	(12,988)	(157,565)	(104,691)
(Increase) decrease in prepaid expenses	-	30,000	-
<b>Net Cash Used in Operating Activities</b>	<b>(2,436)</b>	<b>(26,279)</b>	<b>(1,978,720)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issuance of common stock	-	-	1,998,010
<b>Net Cash Provided by Financing Activities</b>	<b>-</b>	<b>-</b>	<b>1,998,010</b>
<b>Cash Flows to Investing Activities</b>			
(Increase) in property, plant and equipment	-	-	(2,122)
<b>Net Cash Used in Investing Activities</b>	<b>-</b>	<b>-</b>	<b>(2,122)</b>
<b>Increase (Decrease) in Cash in the Period</b>	<b>(2,436)</b>	<b>(26,279)</b>	<b>17,618</b>
Cash - Beginning of Period	20,054	57,289	-
<b>Cash - End of Period</b>	<b>\$ 17,618</b>	<b>\$ 31,010</b>	<b>\$ 17,618</b>
<b>Non-Cash Financing Activities</b>			
9,361,846 shares issued for a license (Note 4)	\$ -	\$ -	\$ 9,362
<b>Supplementary Disclosure</b>			
Interest paid	\$ -	\$ -	-

Income tax paid

- - -

(See accompanying notes)

F3

**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 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 of 4,729,612 shares. The assignment of the Visa Agreement and the transfer of the ownership of the UEPS technology and FTS patents 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 patent 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. The 4,729,612 shares of the Company previously issued into trust in consideration for the Amendment to the License Agreement were thus released to Net 1 Holdings. Effective July 1, 2002, the Company entered into a distribution agreement with Net 1 Investment Holdings (Pty) Ltd., which replaced the previous Patent and Technology Agreement. As a condition of this agreement, Net 1 Investment Holdings (Pty) Ltd. received \$50,000 in full settlement of \$154,953 of fees due as at June 30, 2002. The Company wrote off the remaining \$104,953 of the debt as a reduction of subcontract costs in that year.

Net 1 Holdings as at December 31, 2002 owns 8,520,578 common shares of 15,852,856 issued and outstanding common shares, or 54%.

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. For fiscal 2003, the Company recorded as revenues and receiving \$41,017 from sales of licenses during 2002 in accordance with the Company's revenue recognition policy and the Patent and Technology Agreement.

## 2. Summary of Significant Accounting Policies

### (a) Comprehensive Income

SFAS No. 130, Reporting Comprehensive Income, establishes standards for the reporting and display of comprehensive income and its components in the financial statements. As at October 31, 2002, the Company has no items that represent comprehensive income and, therefore, has not included a schedule of comprehensive income in the financial statements.

**F4**

---

## **Net 1 UEPS Technologies, Inc.**

*(A Development Stage Company)*

*Notes to the Financial Statements*

*(Unaudited)*

---

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

### (b) Recent Accounting Pronouncements

On June 29, 2001, SFAS No. 141, Business Combinations, was approved by the Financial Accounting Standards Board ( FASB ). SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. Goodwill and certain intangible assets will remain on the balance sheet and not be amortized. On an annual basis, and when there is reason to suspect that their values have been diminished or impaired, these assets must be tested for impairment, and write-downs may be necessary. The Company implemented SFAS No. 141 on July 1, 2001 and its impact is not expected to be material on its financial position or results of operations.

On June 29, 2001, SFAS No. 142, Goodwill and Other Intangible Assets, was approved by FASB. SFAS No. 142 changes the accounting for goodwill from an amortization method to an impairment-only approach. SFAS No. 142 requires that the purchase method of accounting be used for all business combinations initiated after December 15, 2001. Amortization of goodwill, including goodwill recorded in past business combinations, will cease upon adoption of this statement. The Company adopted SFAS No. 142 on May 1, 2002 and its impact is not expected to have a material effect on its financial position or results of operations.

In June 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligation. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002, and will require companies to record a liability for asset retirement obligations in the period in which they are incurred, which typically could be upon completion or shortly thereafter. The FASB decided to limit the scope to legal obligations and the liability will be recorded at fair value. The effect of adoption of this standard on the Company's results of operations and financial positions is being evaluated.

In August 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001. It provides a single accounting model for long-lived assets to be disposed of and replaces SFAS No. 121 Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of. The Company adopted SFAS No. 144 on May 1, 2002. The effect of adoption of this standard on the Company's results of operations and financial position is not expected to be material.

In June, 2002, FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. The provisions of this Statement are effective for exit or disposal activities that are initiated after December 31, 2002, with early application encouraged. This Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. The Company will adopt SFAS No. 146 on January 1, 2003. The effect of adoption of this standard on the Company's results of operations and financial position is being evaluated.

FASB has also issued SFAS No. 145, 147 and 148 but they will not have any relationship to the operations of the Company therefore a description of each and their respective impact on the Company's operations have not been disclosed.

(c) Property, Plant and Equipment

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

**F5**

---

**Net 1 UEPS Technologies, Inc.**

*(A Development Stage Company)*

*Notes to the Financial Statements*

*(Unaudited)*

---

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

(d) 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.

(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) 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.

(g) 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.

(h) Interim Financial Data

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.

(j) Revenue Recognition

The Company recognizes revenue when a license agreement has been signed and the rights have been passed to the licensee. The Company recognizes revenue in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 101 ( SAB 101 ), Revenue Recognition in Financial Statements. Revenue is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed, and collectibility is reasonably assured.

**F6**

*(A Development Stage Company)*  
*Notes to the Financial Statements*  
*(Unaudited)*

### 3. Property, Plant and Equipment

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

	March 31, 2003 (unaudited)		December 31, 2002 (audited)	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer equipment and software	\$ 2,181	\$ 2,181	\$ -	\$ 9

### 4. Intangible Assets

	March 31, 2003 (unaudited)		December 31, 2002 (audited)	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Exclusive License	\$ 9,361	\$ 7,325	\$ 2,036	\$ 2,273

See Note 1 for description of the license.

The Funds Transfer System 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 appeal proceedings 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

(a) Consulting fees include \$37,500 (2002 - \$37,500) paid or payable to the CEO of the Company. (b)

## Edgar Filing: NET 1 UEPS TECHNOLOGIES INC - Form 10QSB

Pursuant to a Directors Resolution of January 29, 2002, \$175,000 of consulting fees have been postponed until the Company has sufficient funds.

- (c) Pursuant to the previous outsourcing agreement contained within the Patent and Technology Agreement, subcontract costs include \$nil (2002 - \$90,000) paid to Net 1 Investment Holdings (Pty) Ltd., a company with a common director.
- (d) Under the terms of the previous distribution agreement contained within the Patent and Technology Agreement dated July 1, 2002, the Company recorded revenues of \$41,017 from Net 1 Holdings for sales made during 2002.

**F7**

---

### 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.

The following discussion and analysis should be read in conjunction with the financial statements of the Company and the notes thereto appearing elsewhere.

#### Results of Operations

Three months ended March 31, 2003 compared to the three months ended March 31, 2002.

Management continues to be actively involved in negotiations to secure sufficient equity and/or debt financing to fund the Company's business plans.

On October 23, 2002, the Company retained Investec Limited ( Investec ), an international merchant banking group, to provide corporate finance services and assistance in order to raise equity and/or debt funding for the Company. Subsequently, on February 12, 2003, Investec and the Company mutually agreed to terminate the engagement. The Company is currently negotiating with two international financial groups in order to retain their services to secure necessary funding either through equity/debt financing or a joint venture arrangement to develop its business. The Company expects to finalize negotiations during the latter part of May 2003.

In the short term, management has continued the suspension of various expenses including the Consulting Agreement with its CEO, Claude Guerard.

Management continues to be actively involved in negotiations in view of reaching two main targets required for the future of the Company:

- To establish a partnership agreement with IT services and financial services entities which would provide the

total technical support required by NUEP's licensees to launch and develop their own applications based on the FTS patent and the related UEPS technologies and services.

---

- The Company's first partnerships agreement is the Distribution Agreement which became effective July 1, 2002 with Net 1 Investment Holdings (Pty) Ltd., a South African company, for any country in the world at the discretion of the Company except South Africa and its surrounding territories (Namibia, Botswana, Lesotho, Swaziland, Mozambique and Zimbabwe).
- To develop NUEP's licensee network on a worldwide basis. We have granted licenses in Latvia, Burundi, Ghana, Rwanda and Malawi, and are currently in negotiations with potential licensees in various countries of Africa. An Australian organization has approached NUEP for an FTS license for Australia and New Zealand. Negotiations also include the possibility to grant licenses for territories in the Pacific Rim.

Revenue: The Company produced revenues of \$41,017 which represent license fees collected by Net 1 Holdings during calendar year 2002 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 as the Company is acting as an agent for Net 1 Holdings as per the Patent and Technology agreement dated May 3, 2000. Effective July 1, 2002, the Company entered into a new distribution agreement with Net 1 Investment Holdings (Pty) Ltd., which replaced the previous Outsourcing Agreement. The Company now will receive 9 1/2% of any new Licensee fees charged.

Administrative Expenses: Administrative expenses decreased from \$147,738 for the three months ended March 31, 2002 to \$53,931 for the three months ended March 31, 2003, a decrease of \$93,807. The decrease resulted primarily from the cancellation of subcontract costs associated with the Company's Outsourcing Agreement, and a reduction in travel costs. Professional fees increased this quarter due to December 2002 year-end audit expenses. Management intends to keep operating expenses at the lowest possible level by developing outsourcing policies.

Management has suspended payments to Claude Guerard under his Consulting Agreement which in the three months ending March 31, 2003 accounted for \$37,500 and \$37,500 respectively for the three months ending March 31, 2002.

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 \$41,017 on March 31, 2003 from license fees collected up to December 31, 2002, by Net 1 Holdings. Accounts receivable of \$104,691

---

as at March 31, 2003 are due from Net 1 Holdings. Additional fees from the sale of new licenses and recurring annual license fees from existing licensees will accrue to the Company during 2003.

Our cash decreased \$2,436 from \$20,054 at December 31, 2002 to an ending balance of \$17,618 at March 31, 2003. The cash was used to fund our operating expenses.

The Company anticipates raising additional funds from the sale of equity and/or debt financing 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.

Item 3. Controls and Procedures

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

None.

---

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: May 14, 2003 NET 1 UEPS TECHNOLOGIES, INC.

By: /s/ Claude Guerard

\_\_\_\_\_  
Claude Guerard, CEO

---

**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 March 31, 2003, 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.

---

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: May 14, 2003

/s/Claude Guerard

---

Name: Claude Guerard

Title: Principal Executive Officer

---

**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:

Edgar Filing: NET 1 UEPS TECHNOLOGIES INC - Form 10QSB

1. I have reviewed this quarterly report on Form 10-QSB for the fiscal quarter ended March 31, 2003, 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.

---

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: May 14, 2003

/s/ David Anthony

---

Name: David Anthony

Title: Principal Financial Officer

---

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 March 31, 2003, 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.

May 14, 2003

By: /s/ Claude Guerard

\_\_\_\_\_  
Claude Guerard

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**

In connection with the accompanying Quarterly Report of Net 1 UEPS Technologies, Inc. (the Company) on Form 10-QSB for the period ending March 31, 2003, 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.

May 14, 2003

By: /s/ David Anthony

\_\_\_\_\_  
David Anthony