

NET 1 UEPS TECHNOLOGIES INC  
Form 8-K  
October 02, 2018

---

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

**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): **October 2, 2018 (September 26, 2018)**

**NET 1 UEPS TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

<b>Florida</b> (State or other jurisdiction of incorporation)	<b>000-31203</b> (Commission File Number)	<b>98-0171860</b> (IRS Employer Identification No.)
<b>President Place, 4<sup>th</sup> Floor, Cnr. Jan Smuts Avenue and Bolton Road</b> <b>Rosebank, Johannesburg, South Africa</b> (Address of principal executive offices)      (ZIP Code)		

Registrant's telephone number, including area code: **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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

**Item 1.01 Entry Into a Material Definitive Agreement.**

*Additional ZAR 1.5 billion RMB Facility*

On September 26, 2018, Net 1 UEPS Technologies, Inc. ( Net1 ), through one of its subsidiaries, Net1 Applied Technologies South Africa Proprietary Limited ( Net1 SA ), entered into a Second Amendment & Restatement Agreement, which includes an Amended and Restated Common Terms Agreement, and a Senior Facility E Agreement (collectively, the RMB Loan Documents ) with FirstRand Bank Limited, acting through its Rand Merchant Bank division ( RMB ) and certain other parties, pursuant to which, among other things, Net1 SA may borrow up to ZAR 1.5 billion to fund Net1 SA 's ATMs. Net1 agreed to guarantee the obligations of Net1 SA to RMB.

The material terms and conditions of the RMB Loan Documents are more fully discussed in Item 2.03 below.

On September 26, 2018, the USD/ZAR exchange rate was \$1.00 / ZAR 14.25.

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

*Additional ZAR1.5 billion RMB Facility*

The RMB Loan Documents provide for a Facility E overdraft facility of up to ZAR 1.5 billion.

Interest on the overdraft facility is payable on the last day of each month and on the final maturity date based on the Johannesburg Interbank Agreed Rate in effect from time to time plus a margin of 1.00% . The JIBAR rate was 7.0% on September 26, 2018.

The overdraft facility matures on September 26, 2019.

The overdraft facility amount utilized must be repaid in full within one month of utilization and at least 90% of the amount utilized must be repaid with 25 days.

---

The overdraft facility is secured by a pledge by Net1 SA of, among other things, cash and certain bank accounts utilized in Net1 SA's ATM funding process, the cession of an insurance policy with Senate Transit Underwriters Managers Proprietary Limited, and any rights and claims Net1 SA has against Grindrod Bank Limited.

The RMB Loan Documents contain customary covenants that require Net1 SA to maintain a specified total net leverage ratio and restrict the ability of Net1 SA, and certain of its subsidiaries to make certain distributions with respect to their capital stock, prepay other debt, encumber their assets, incur additional indebtedness, make investment above specified levels, engage in certain business combinations and engage in other corporate activities.

The foregoing description of the RMB Loan Documents 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 10.95 through 10.98 and are incorporated herein by reference.

---

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

(d) Exhibits

Exhibit

No. Description

10.95 Second Amendment and Restatement Agreement, dated September 26, 2018, among Net1 Applied Technologies South Africa Proprietary Limited, Net 1 UEPS Technologies, Inc., the parties listed in Part I of Schedule 1 thereto, as the original guarantors, FirstRand Bank Limited (acting through its Rand Merchant Bank division), as an arranger, Nedbank Limited (acting through its Corporate and Investment Banking division), as an arranger, the parties listed in Part II of Schedule 1 thereto, as the original lenders, and FirstRand Bank Limited (acting through its Rand Merchant Bank division), as agent.

10.96 Senior Facility E Agreement, dated September 26, 2018, among Net1 Applied Technologies South Africa Proprietary Limited, FirstRand Bank Limited (acting through its Rand Merchant Bank division), as lender, and FirstRand Bank Limited (acting through its Rand Merchant Bank division), as agent.

10.97 Security Cession, dated September 26, 2018, by Net1 Applied Technologies South Africa Proprietary Limited in favor of FirstRand Bank Limited (acting through its Rand Merchant Bank division), as a secured creditor, and each of the other Secured Creditors (as defined therein).

10.98 Pledge, dated September 26, 2018, by Net1 Applied Technologies South Africa Proprietary Limited in favor of FirstRand Bank Limited (acting through its Rand Merchant Bank division), as a secured creditor, and each of the other Secured Creditors (as defined therein).

**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: October 2, 2018

By: /s/ Alex M.R. Smith  
Name: Alex M.R. Smith  
Title: Chief Financial Officer

---