First Global Clarifies its Agreement with Tencent Payment Company

TSX Venture Exchange: FGD
Frankfurt Stock Exchange: 1G5

TORONTO, Feb. 1, 2018 /CNW/ - Pursuant to the press release issued earlier this morning, the Investment Industry Regulatory Organization of Canada ("IIROC") has requested that First Global Data Limited ("First Global" or the "Company") issue this press release to elaborate on and clarify the business model and agreement it has entered into with Tenpay Payment Technology Co. Ltd, a subsidiary of Tencent Holdings (collectively "Tencent").

The objective of the agreement between First Global and Tencent is to facilitate the acceptance of the WeChat mobile wallet by US retailers and merchants. First Global, with the assistance of Tencent and China Smartpay, will source US retailers and merchants willing to accept the WeChat mobile wallet as a method of payment. Once a retailer has agreed to accept this method of payment, First Global will be responsible for the onboarding of such retailers and merchants including the performance of all necessary due diligence on these parties.

The agreement represents a new line of business for the Company. The costs to the Company associated with this new line of business will be (i) the cost of integrating the company's technology with that of Tencent and (ii) the cost of sourcing and onboarding the US retailers. With respect to the cost of integrating the Company's technology with that of Tencent, the Company anticipates that the costs will be nominal as the Company has extensive experience with integrating its software with that of third parties. The Company does have the adequate resources to integrate the technologies and once integrated there will be no additional costs.

With respect to the sourcing and onboarding of retailers, the costs to the Company will primarily be adding additional sales associates to source and sign up merchants. As these individuals typically work on a commission pay structure, there will be minimal to no cost to the Company until such time that a retailer is signed up. The cost of installing equipment in each location will vary depending on the equipment currently held by the retailer and whether the retailer will require any equipment. The Company will not be responsible for any of the equipment cost.

First Global will always maintain a direct relationship with each retailer and merchant. The Company will be responsible for the implementation and integration of the WeChat mobile wallet using a variety of technical integration options at the merchant location. The Company will connect to the Tencent payment infrastructure by way of technical integration. These technical integrations will allow for the seamless debiting of funds from the consumer's WeChat mobile wallet, the conversion of currency from RMB to USD, and the settlement to the merchant's bank accounts.

Revenues will be generated on a per transaction basis. Each merchant will be charged a fee for each transaction that utilizes the WeChat mobile wallet as the payment method. The fees to be charged will be similar to that which exists for the processing of credit cards. Merchants will pay the Company a percentage based on the gross dollar value of the goods or services being purchased. The Company will determine what these rates will be on a case by case basis and based on industry standards. The Company will share these revenues with Tencent and China Smartpay. There can be no assurance or guarantee that any revenue will be generated from this agreement with Tencent as it is dependent on merchants in the US agreeing to accept the WeChat mobile wallet as a payment method.

The term of the agreement with Tencent is for one (1) year and shall automatically renew for subsequent one-year periods unless terminated by either party having provided one month's prior notice.

About First Global Data Ltd. (www.firstglobaldata.com)

First Global is an international financial services technology ("FINTECH") company. The Company's two main lines of business are mobile payments and cross border payments. First Global's proprietary leading edge technology enables the convergence of compliant domestic and cross border payments, shopping, Peer to Peer ("P2P"), Business to Consumer ("B2C"), and Business to Business ("B2B") payments. First Global enables its strategic partners and clients around the world with our leading edge financial services technology platform.

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Forward Looking Information:
This news release contains "forward-looking information" within the meaning of applicable securities laws. Although First Global believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because First Global can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. The statements in this press release are made as of the date of this release. First Global undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of First Global, its securities, or financial or operating results (as applicable). First Global disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

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