FIRST GLOBAL DATA LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2018

Dated August 29, 2018

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets.

Notice to Reader

Management has compiled the unaudited interim financial statements of First Global Data Limited, ("First Global" or the "Company") consisting of the Condensed Consolidated Interim Balance Sheet as at June 30, 2018 and the Condensed Consolidated Interim Statements of Comprehensive Income, Changes in Equity, and Condensed Consolidated Interim Cash Flows for the period ended June 30, 2018. All amounts are stated in United States Dollars unless specified.

The following Management Discussion and Analysis ("MD&A") of First Global's financial position and results of operations, prepared as of June 30, 2018, should be read in conjunction with the Consolidated Financial Statements of the Company for the period ended June 30, 2018 which are incorporated by reference herein and form an integral part of this MD&A.

Our MD&A is intended to enable readers to gain an understanding of First Global's current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current period to those of the preceding year. We also provide analysis and commentary that we believe is required to assess the Company's future prospects. Accordingly, certain sections of this report contain forward-looking statements that are based on current plans and expectations. These forward-looking statements are affected by risks and uncertainties that are discussed in this document and that could have a material impact on future prospects. Readers are cautioned that actual results could vary.

Cautions Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements, which reflect management's expectations regarding the Company's results of operations, performance, growth, and business prospects and opportunities.

Statements about the Company's future plans and intentions, results, levels of activity, performance, goals or achievements or other future events constitute forward-looking statements. Wherever possible, words such as "may," "will," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions, competitor activity, product capability and acceptance, international risk and currency exchange rates, government and regulatory changes, and technology changes. More detailed assessment of the risks that could cause actual results to materially differ than current expectations is contained in the "Risk Factors" section of this MD&A. Unless otherwise indicated, all references to **"Dollar"** or the use of the symbol "$" are to the US Dollar in this Management's Discussion and Analysis (the **"MD&A").**

The preparation of the financial statements is in conformity with International Financial Reporting Standards **("IFRS")** and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements and reporting amounts. First Global Data Limited. (the **"Company", "Corporation", "First Global", or "FGD")** bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

OVERVIEW OF FIRST GLOBAL DATA LTD.

First Global is a financial services technology company ("FINTECH") which operates in the payments sector and focuses on domestic and cross border payments. Services include consumer-to-consumer money transfer, which are generally provided under the "FirstGlobalMoney™" brand and Mobile Payments which are generally provided under the "FirstGlobalMoney" or "PayQwik" brands. The money remittance service enables a person to send money from one country to a beneficiary in another country securely and in compliance with regulatory guidelines. The service also enables a person to send money to a beneficiary domestically within the same country. The mobile payment service enables a person to make payments for goods and services via their mobile phones. First Global believes and has observed that the payments industry is evolving in a significant way and that the future of payments is shifting to mobile platforms. This includes payments which will facilitate money transfers. The long-term objective for First Global is to have all payment services it offers available via a consumer's mobile phone and via the internet.

First Global's customers include users of the Company's mobile or online service offerings referred to as the "Digital Wallet". These Digital Wallets may be offered directly by the Company under its brand(s) or may be white labeled for strategic partners under alternate brands. In this model, customers leverage various services embedded in the Digital Wallet, which the Company refers to as the "ecosystem" or "marketplace" made available on FGD's Mobile and Online platforms to perform transactions, most of which may be payment services. Customers are also senders and receivers of money. For the money transfer service, First Global's primary customers are expatriates and migrant workers in Canada and the United States who send money to their countries of origin. Other customers of First Global include individuals without traditional banking relationships, and traditional bank customers who prefer the speed and convenience of mobile and online services which generally provide better foreign exchange rates, lower cost, convenience and ease of use. The Company also intends to expand services to businesses to facilitate business to consumer and business to business transactions.

The company has made a significant push to deploy an Integrated Digital Wallet and Money Remittances Platform that complies to local and international regulations. These efforts have led to agreements being signed and press released for initiatives in various countries and has also led to a major launch in India with a leading government owned bank under the Vpayqwik brand. In this deployment the Company has worked closely with the bank to focus firstly on customer acquisition, the next stage being monetization of these customers. The Company continues to focus on implementing additional business opportunities currently in the pipeline.

For the cross-border payment, or remittances services, First Global currently accepts funds primarily from customers in Canada and the United States. Funds are accepted at storefronts in the form of cash or via point of sale (POS) devices, and online via electronic funds transfer, checking services and debit cards. The Company intends to add credit card and other electronic funds acceptance to reach a broader base of customers. Through its electronic transaction infrastructure, First Global is currently able to transmit funds to approximately 51+ countries worldwide through direct integrations with banks in those countries and also third-party partner networks that are certified and which have gone through thorough due diligence as prescribed by the various regulatory bodies. First Global continues to focus on growing its online and mobile payment capabilities and expects these electronic payment services to lead the future growth of the Company.

First Global's technology platform allows it to deliver monies to the destination point quickly and in full compliance with regulatory guidelines. The platform is an account-based system which enables all customers to have an account with First Global. This system establishes a relationship between First Global and its customer and enables customers to access a variety of transactional services which are and will be offered by First Global in the future.

The First Global technology platform stores information provided by various regulatory bodies related to suspected money launderers and terrorist financiers. In the USA, this information is published by the Office of Foreign Asset Control (OFAC) and in Canada by the Office of the Superintendent of Financial Institutions (OSFI). The First Global technology platform also stores information provided by other regulatory bodies all of which are designed for the prevention of Terrorist Financing and Money Laundering. These databases are checked every time a customer transacts with First Global, and if there is a match, certain actions take place to validate the customer's identity and/or block transactions and/or notify the regulatory authorities. The First Global platform also performs analysis on velocity of transactions, transaction sizes and limits, and is able to perform enhanced due diligence as required by regulatory bodies or as a risk mitigation strategy. The Company's compliance technology engine also provides for the implementation of regulatory rules from each of the countries in which the Company operates and to which the Company facilitates the sending of funds.

The First Global technology platform also provides dynamic foreign exchange (FX) services, whereby the system gathers Foreign Exchange information from multiple providers and presents customers with a rate they would receive when sending monies from one currency to another.

The First Global technology platform is able to deliver internet and mobile based transaction processing. All of these features have been built on a single technology core which enables the Company to grow rapidly by evolving and adding new services, facilitating additional revenue streams.

In addition to the above, the Company has launched the world's first cross border mobile payments service on a social messaging platform. The Company believes that this sort of solution will be a facilitator for customer penetration and monetization and will be a major focus area for the company on a going forward basis.

FOCUS ON COMPLIANCE

In order to provide money services the Company is required to operate under Money Transmitter License by various regulatory bodies. First Global is licensed as a Money Service Business ("MSB") which holds Money Transmitter Licenses ("MTL") by national regulator FINCEN and at the State level by the Departments of Financial Institutions or equivalent in the USA, by FINTRAC in Canada, and by other regulatory bodies around the world. For the purposes of this MD&A, the terms MSB and MTL may be used interchangeably.

Each of the above-mentioned regulatory bodies prescribe their own regulatory and compliance regimes, which is challenging in of itself. This becomes more challenging as regulations may also change from time to time. In order to meet these complex and varied compliance regimes, the Company has developed its proprietary "Transborder" technology core to store, maintain, and act on compliance rules and regulations.

FGD's technology and payment solutions are designed to ensure that they comply with all regulatory guidelines including Anti-Money Laundering, Anti-Terrorist Financing, Consumer Privacy, Data Protection and Security. This includes dynamically checking transactions against the various watch lists published by regulatory bodies around the world. The First Global Transborder platform also has a combination of capabilities which together make it one of the strongest and most leading-edge platforms. Capabilities include: enhanced fraud settings based on country/city/town/village/municipality hierarchy, conducting Address and ID verification, Micro deposits verification for Bank Accounts deposits, the ability to establish customized watch lists, and to integrate into any credit database and other such database that could be used to produce enhanced compliance.

From the onset, the company's philosophy was to automate the majority of the day to day compliance requirements by building them into our technology platforms. FGD's automated compliance engine provides the ability to easily customize compliance metrics, controls and procedures on a region by region basis. This enables FGD to provide payment processing and other money services to consumers and business in Canada, the USA and across the globe.

FGD is audited on an annual basis by independent Anti-Money Laundering and Anti-Terrorist Financing auditors, by Technology and Cyber Security auditors, and by federal and state financial services and banking authorities to ensure compliance with Anti-Money Laundering and Anti-Terrorist Financing rules and regulations.

Each member of the Board and Executive management team of First Global's subsidiary, First Global Money Inc. are required to pass rigorous background checks which included FBI screening and background checks before an MSB license is granted to the Company. These investigations included providing fingerprints and a comprehensive set of personal information, all of which were used to validate the identity, background and history of these principals. The Board and Executive management of FGD were also investigated by the Toronto Stock Exchange in 2012 as one of the necessary criteria for becoming listed on the Toronto Stock Exchange.

Money Service Business (“MSB”) Licenses in the United States of America (US):

First Global currently holds 43 MSB Licenses and authorities to do business in the USA and applications are being pursued for the establishment of licenses in the balance of the States. Although the Company is unable to consider these licenses as “assets” nor is it able to attribute a value to these licenses in our financial statements, the Company does consider them assets. These licenses have become requisites to many companies looking to enter into the North American Market to launch FINTECH Services that are integrated nationally, across the continent, and globally. One of First Global’s strategies is to partner with these organizations to facilitate compliant international transactions and to facilitate Cross Border Payments, Money Transfers, Digital Payments and as regulations evolve to accept them, Crypto Currency payment solutions.

There are very few companies that have comprehensive US coverage for MSB Licenses and First Global has evolved to become one of the most licensed companies in the USA. The Company has successfully grown its footprint of MSB licenses and is close to having total licensing coverage across the US. One of the main reasons for the difficulty in obtaining licenses includes the rigorous background checks that are required including, FBI and Interpol background checks, fingerprinting, private detective checks, credit ratings and these all have to be repeated on a state by state basis. In addition, it is a time sensitive and a very costly exercise. This all results in MSB licenses that are highly valued and in high demand as they form the foundation for companies to properly offer FINTECH services in the US.

FOCUS ON TECHNOLOGY AND INNOVATION

As a company committed to being on the leading edge of technology, and as a FINTECH company, First Global will continue to invest into its technology core and capabilities.

A significant focus for First Global historically has been the development of its core software. The software core is the basis around which the Company has been able to deliver services and generate revenues and will be instrumental in the Company’s expansion, and in achieving profitability. The core software facilitates all First Global services including Online and Mobile payments and is expected to be the basis for the Company’s evolution to Blockchain and Crypto Currency enabled solutions.

A key focus for First Global is to deliver services which are compliant with regulatory guidelines. The software core protects the business by electronically screening for and taking active measures to prevent terrorist financing and money laundering, which is a key differentiator in the payments sector.

The compliance core is central to operating a Global Interoperable Wallet Platform successfully in full compliance with local and international regulations. This unique ability is one of the key elements that separates the Company from our competition.

First Global’s major objective is to be a dominant player of global, multicurrency, portable mobile payment services using its proprietary technology platform.

First Global has established its “FINTECH LABS” which is an innovation center designed to produce innovative technology solutions around Digital Payments, Crypto Currencies and Block Chain.

The launch of one of the world’s first cross border mobile payments service on a social messaging platform is a good example of the Company’s focus on technology innovation.

FOCUS ON GROWTH AND TRANSACTIONAL REVENUES

- First Global believes that its overall value will increase as certain Key Performance Indicators ("KPIs") are achieved. KPIs include increasing the number of users, number of active users, average annual revenue per user ("AARPU"), number of transactions and an increase in revenues and profitability.

- The Company's growth strategy includes aligning with partners that have an existing embedded base of customers – "Customer Acquisition"; working with these partners to drive customers to the Company's services – "Penetration"; then through marketing initiatives encouraging these customers to transact – "Monetization".

- The Company had also embarked on an ISPL licensing program in 2016 and 2017. This program involved the sale of First Global's technology, which would be in the form of web sites that provided among other things the ability of the ISPL operator to promote the Company's services and to assist the Company to achieve its KPIs. One of the key concepts being that the more sites promoting First Global services, the higher the placement on search engines such as Google, and the higher the likelihood that the Company would move toward its KPI objectives. The ISPL program has been suspended until the Company resolves deficiencies identified by its financial auditors.

- The addition of new Money Transmitter Licenses will provide the Company with the opportunity to offer services to consumers in these licensed territories, with the net effect expected to be the increase of transactions and overall growth. The Company's revenues are driven primarily from transactional fees and foreign exchange.

FOCUS ON CAPITAL RAISE AND DEBT REDUCTION

- The Company has voluntarily suspended its sale of international technology licenses program ("ISPL") until such time as it determines that the program can resume with all essential elements in place. As a result, this has affected the revenue flow into the Company, and the Company expects to focus on raising additional capital.

- The Company has a strong base of existing investors that have supported it in the past. This is an avenue to source the required capital. In addition, the Company is working to secure the services of a professional Investor Relations firm which, among other things, would provide it access to the broader investment community. First Global believes that it has been successful in building the assets of the organization and that it is in a highly recognized and rapidly growing FINTECH sector. As a result, the Company believes that this should attract potential investor partners.

- First Global is also embarking on a program to convert debt in order to improve cash flows and to move toward profitability.

- The Company's 2017 Financial Statements and 2018 quarterly Financial Statements reflect a write off of revenues the Company believes are not collectable, the expensing of options granted, the take back of Series G debentures, and booking of revenues from its ISPL technology licensing program as borrowings. As the Company deploys the required services around its ISPL technology licenses sold, it may be in a position to realize those revenues and add them to 2018 results.

DEVELOPMENTS

- First Global has been working to deploy its mobile app in North America under its own brand which will facilitate cross border payments. The FirstGlobalMoney mobile app will enable customers in Canada and the USA to originate transactions from their mobile phones to send monies to beneficiaries in other countries. The Company has made good progress, is currently beta testing the service and intends to announce the availability of the service to customers when beta testing has been completed.

- The Company intends to evolve its mobile app to facilitate domestic peer to peer transfers, and to enable users of its mobile app to make payments for various goods and services including at bricks and mortar, or physical, locations.

- First Global had announced its partnership with Lianlian for the cross-border money remittance service, branded "Happy Transfer", As noted in previous news releases, this service is innovative in that it provides a cross border money transfer service in a social messaging platform for persons in the USA to persons in China. The Company's China partner, Lianlian was in the process of securing new banking relationships and as a result service ha been suspended. First Global continues to work with Lianlian toward a definitive understanding of the timing for service resumption or the discontinuation of services with this partner. The Company is actively working toward securing additional China based partners with which it can resume similar services.

- The Company has made the decision to de-focus on some of the international business initiatives signed in the past due to their unpredictable deployment timelines, and other challenges. The Company has re-focused on driving revenues from Canada, the USA, and Europe. While this shift in focus is currently under way, the Company does not intend to abandon some of the more lucrative international opportunities. The Company is focusing on additional deployments globally which it intends to connect through its compliance hub to create a globally portable, interoperable mobile wallet service.

- First Global has been successful in becoming a payment service provider partner for Tencent, a very large China based organization. The service enables vacationers and students of Chinese origin to make payments with their WeChat Pay mobile wallets at merchant locations across the USA and Canada. The Company generates revenues on a per transaction basis when the user makes a purchase at a merchant location that the Company has enlisted. This is a new line of business and the Company believes it will continue to be a major focus going forward.

- The Company continues to be engaged with the various regulators toward obtaining the balance of US State MSB licenses. Since January of 2017, the Company successfully obtained approximately 20 new licenses and now has 43 in total, making it one of the more broadly licensed money transmitters in the USA. The Company believes that having Money Transmitter Licenses ("MTL") is a major strategic differentiator, especially given the increased scrutiny on compliance by banks and regulators, and the evolution of alternate currencies. Since achieving this major milestone, the Company has received much positive attention from potential strategic partners and others. The Company continues to work through the process of obtaining the balance of its US State licenses and we are actively exploring obtaining licenses in Europe and other key markets around the world.

- First Global has concluded its listing on the OTCQB market in the USA. This initiative was taken in order to improve access to trading by US investors. The Company's trading symbol on this market is FGBDF. The Company's shares are not currently DTC eligible however. When it becomes DTC eligible, its securities will be able to be deposited through DTC which is the largest securities depository in the world. The Company continues to work toward becoming DTC eligible and will announce when it has achieved this milestone.

- The Company's strategy includes the sale of technology licenses. License sold would result in the creation of multiple sites offering First Global services targeting specific demographics. Each of the licensees would drive marketing initiatives which are expected to drive new users, new active users, and transactional revenues. Although the Company was relatively successful selling technology licenses, for a variety of reasons it was not able to provide the solution necessary for licensees to promote and market the First Global services. As a result, the Company is not able to recognize revenues for certain licenses sold. The Company has made significant progress toward the deployment of solutions and may be in a position to recognize revenues for license sales in 2018 and on a going forward basis.

- The Company had issued Series G debentures and part of that debenture offering included security through assets of a Colombia company that First Global had entered into an agreement with for the deployment of First Global services in that country and region. The Company had not taken the measures necessary to verify the assets pledged and as a result is currently working with counsel representing the Colombian company toward validating the assets pledged or arriving at an agreement on alternate assets that would be pledged by the Colombian company. The Company has begun discussion with Series G debenture holders with the intention of converting some of the debentures to equity after the Company resumes trading on the Toronto Stock Exchange Venture Exchange.

- The Company has effected cost reduction initiatives and since January 1, 2018 has reduced expenses by approximately US $754,000 annually. The Company is also re-aligning its staffing complement with a focus on strengthening its Finance and Sales organizations.

Selected Financial Information

Following are some highlights of financial position and financial performance of the company for the Six months and three months period ended June 30, 2018.

Particulars	Three months ending		Six months ending	
	30-Jun-18	Restated 30-Jun-17	30-Jun-18	Restated 30-Jun-17
Revenues	$302,929	$382,357	$803,482	$776,536
Comprehensive income (loss)	(1,899,933)	(3,193,223)	(3,585,794)	(4,929,699)
Loss per share	(0.0091)	(0.0147)	(0.0179)	(0.0238)

Particulars	As at 30-Jun-18	As at 31-Dec-17
Total assets	$2,682,376	$3,964,566
Working capital surplus (deficiency)	$(15,038,344)	$(13,130,776)

Revenue

- Revenue for the six months period ended June 30, 2018 was $803,482 compared with restated revenue of $776,536 for the same period last year. Revenue for the three months period ended June 30, 2018 was $302,929 compared with restated revenue of $382,357 for the same period last year.

  The company has had to revise its revenues for the year ended December 2017. In order to be able to recognize the ISPL revenues it had to meet two criteria, the first being the Form and he second being the Substance, both as per IFRS Standards. Further, within the Substance of the Agreement, ISPL revenues is recognized when persuasive evidence of an arrangement exists, the product has been delivered, the fee is fixed or determinable, and collection of the resulting receivable is probable. In cases where collectability is not deemed probable, revenue is recognized upon receipt of cash, assuming all other criteria have been met.

  During the fiscal year of 2017, for a number of reasons, the Form did not match the Substance. This means that although there were licenses sold, the final product deliverable was lacking and not delivered. There are various reasons for the challenges and delays in providing the final product and the Company also became aware that the messaging and expectations to purchasers were not consistent which resulted in some confusion. The Company and its Board of Directors made the prudent and what it believes to be the correct decision to halt the ISPL licensing program and to not book the ISPL revenues in its 2017 year end financial statements until such time as the program is fully re-evaluated, and properly deployed. The revenues received in 2016 and 2017 from the ISPL program have been booked as borrowings in these quarterly financial statements and can be found in note 9, specifically note 9.9.

While the current focus remains on addressing, and resolving issues identified with the ISPL program, and on potentially realizing the already sold technology licenses revenues (ISPL) in 2018, the Company remains confident that the technology licenses strategy as the program is revised, is sound since this program can be a catalyst toward the Company achieving its KPIs.

Revenue		**June 30 2018**		Restated June 30 2017
Wire transfer fee	**$**	**657,451**	$	469,874
Mobile payment and other revenue		**146,031**		306,662
	$	**803,482**	$	776,536

a) Licensing and wire transfer transactions represent a significant source of revenue for the Company.

b) The voluntary surrender of the Company's California and Texas state Money Transmitter License remain intact. The Company believes that it will achieve the required levels of adequate capital to support its business in the States of California and Texas and as a result is taking measures to re-approached those States to reinstate licenses.

The voluntary surrender of these licenses had caused a significant drop in transaction revenues, though this has been offset by the gain in licensing revenues. The Company has also filed or is in the process of filing applications to the remaining of US States to secure the balance of Money Service Business (“MSB”) licenses.

The company has injected an additional $ 832,325 USD into capitalization of the US subsidiary in Q1, 2017 and USD 2,454,487 in Q2, 2017 and will continue to meet its fiduciary responsibilities in the coming quarters leveraging the capital raised.

The company is focused in achieving all 50 MSB State License and to date has secured 42 US Money Transmitter State Licenses. This focus on licensing has resulted in the Company being approached by several organizations with the intent of partnering to deliver services together and to share revenues.

c) The Company will continue to focus on generating revenues from transaction volumes, from white labeling its technology platforms and expanding the payments services locally and internationally.

- As a result of significant historical write offs of receivables, the Company decided to terminate many of its low performing and/or high-risk Agents. In 2017 and the current period, this policy has continued and additionally the Company had put into place a very rigid and focus process to reduce and eliminate bad debt which has proven to be successful.

Agents are physical locations in which there is high foot traffic of target demographics for the Company's money transfer services. The voluntary termination of these Agents contributed to the reduction of revenues. Gross margins increased significantly not only from prior quarters but from the previous year due to the shift in the revenues the Company was able to achieve. This shift will continue while at the same time, the Company continues to rebuild and refocus the traditional money transfer business

- The Company continues to focus on increasing transaction volumes and transactional revenues in 2018 and following years. First Global intends to achieve this objective by:

a) Reviving services in the State of California and Texas
b) Obtaining the balance of US State licenses
c) Implementing stricter standards on Agencies including increased credit limits, electronic banking and the use of armored car for more frequent collections of funds, which has proven to significantly lower risk
d) Adding back transaction volumes to the approved African corridors
e) Opening other markets from the USA and Canada to the Philippines and Asia
f) Originating transactions from the other underserved US states in which the Company is licensed
g) Expanding online and mobile money transfer services in Canada and the USA
h) Increasing transaction volumes from its PayQwik service globally
i) Expanding PayQwik and white label versions of PayQwik in key select markets.
j) Hiring and enhancing the sales team.
k) Working with key strategic partners to license the Company’s technology globally with the intent of establishing a global interoperable wallet.
l) Focusing on mobile payments and remittances on social messaging and networking platforms and generally a transition to delivering fully electronic services.
m) Working with partners to leverage what the Company believes is a key asset, its licenses, to drive revenues together.

Expenses

Following is a summary of expenses incurred in Six months and three months period ended June 30, 2018.

Particulars	Three months ending		Six months ending	
	30-Jun-18	Restated 30-Jun-17	30-Jun-18	Restated 30-Jun-17
Selling, general and administrative	$836,367	$913,738	$1,552,948	$1,714,177
Salaries and related costs	876,584	1,533,561	1,855,682	2,290,500
Depreciation	14,152	14,084	31,795	24,061
Amortization of intangibles	27,641	53,043	55,281	107,001
Interest and other finance cost	493,620	612,359	946,272	1,059,391
Foreign exchange (gain) loss	(15,751)	(52,913)	(15,022)	(69,525)

Below is an analysis of are major categories of operating expenses.

Selling, General and Administrative Expenses

Selling and general expenses decreased during the Six months and three months period ended June 30, 2018 compared with the restated amount for same period last year because of cost cutting initiatives taken by the management.

Salaries, consulting and related costs

Corporate staff includes finance, marketing, compliance, customer service, corporate administrative staff and consultants. Salaries and Consultant expenses for the six month period ending June 30, 2018 decreased to $1,855,682 compared with $2,290,500 for same period last year. The decrease is attributable primarily to cost control measures and the impact of expense arising from stock options.

Depreciation and Amortization

Amortization of property and equipment and intangible for the six months period ended June 30, 2018 was $87,076 compared to $131,062 for the same period in 2017. During the period, the Company made no significant investment in equipment or intangibles. Some assets on the books of the Company were fully depreciated.

Interest expense and other finance cost

Interest and financing costs for the six month period ended June 30, 2018 was $946,272 compared to restated amount of $1,059,391 for same period in 2017. The company settled and converted in equity instruments a number of loans during the year 2017 and the period ended June 30, 2018. As a result, the interest expense for future periods is expected to decrease from its current levels.

Foreign exchange (gain) loss

Foreign exchange gain for the six months period ended June 30, 2018 was $15,022 compared with foreign exchange gain of $69,525 for the same period of 2017. The exchange gain or loss reflects the effect of currency movements on the assets and liabilities of the company denominated in foreign currencies.

Liquidity and Capital Resources

As at June 30, 2018, the Company had cash and cash equivalents of $861,621 compared to $2,180,789 at December 31, 2017. Trade and Agent receivables of $ 569,887 were outstanding at June 30, 2018 compared to $ 835,813 at December 31, 2017.

Total current assets as at June 30, 2018 amounted to $2,427,330 compared with $3,636,395 as at December 31, 2017, with current liabilities of $17,465,674 (December 31, 2017 - $16,767,172). The company is on the path of reducing its liabilities by converting debt into equity and repaying portions of debt.

As at June 30, 2018 the Company had working capital deficiency of $15,038,344 compared to deficiency of $13,130,776 at December 31, 2017.

The Company may consider raising additional capital through private placement financing through convertible debentures, equity financing and generating revenues from its operations to meet its obligations.

With the new focus on territorial Money Transmitter Licenses and a strong focus on profitability, the Company will look to these avenues as additional channels to secure the required capital for growth and expansion.

While the Company has incurred significant losses over the years and while this does raise doubt about the Company's ability to continue as a going concern, the ability of the Company to continue as a going concern is dependent on generating consistent profits and positive cash flow which the Company has addressed and will continue to monitor and periodically adjust its strategy to allow it to deliver on its mandate. The outcome of these matters is partially dependent on factors outside of the Company's control.

Despite this concern, the company has however established itself as a FINTECH Company with significant upside by developing and leveraging its Core Software Platform to deploy Online and Mobile Remittances and Online and Mobile Payments globally. FinTech companies are being highly valued and are currently able to secure significant amounts of capital from the global investment community. The Company is open to considering strategic investment capital.

Balance Sheet Variations

Current Assets

Current Assets which includes cash, trade and agent's receivables, other receivables, and prepaid expenses as at June 30, 20187 were $2,427,330 compared to 3,636,396 as at December 31, 2017. The decrease represents the change in cash and cash equivalents during the period.

Non-Current Assets

Non-Current Assets which includes Property, Plant and Equipment; Licenses and Software were $ 255,046 as of June 30, 2018 compared to $ 328,170 as at December 31, 2017. The decrease is primarily because of amortization and impairment of intangibles during the year. Certain additions were made to equipment and other assets acquired for company's US and Canada offices.

The Company did not make major investments in capital assets in the period ending June 30, 2018. However, the Company continues to make enhancements to the technology platform and this will enable the Company to leverage on this asset to generate future revenues and growth. It is also critical to note that as deployments in the different regions of the world continue, the platform will be continually advanced to meet the global demand for a Global Interoperable Wallet and to enhance its cyber security and overall technology infrastructure.

Current Liabilities

Current liabilities which includes accounts payable and accrued liabilities, borrowings, tax payable and obligations under finance leases; decreased to $17,465,674 as of June 30, 2018 from $16,767,172 as of December 31, 2017. This increase is because of additional loans obtained by the company during the period. The company however made a partial repayment of Fundeco debt was during the period. Borrowings increased significantly overall due to the Company's decision to take back Series G debentures at the end of 2017 (reference note 9.3) and its decision to suspend its ISPL Technology Licensing program and re-categorize monies received under this program to borrowings (reference note 9.9). These two items represent the majority of the Company's current borrowings. The Company intends to reduce these borrowings through payment of principal amounts owed over time, or the conversion to equity should the lenders be interested in the conversion.

Capital Resources

The Company, in order to finance future developments and expansion may seek to raise additional funds. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets, as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Corporation's securities.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions with Related Parties

The Company has the following transactions with related parties:

	June 30 2018	June 30 2017
Fees included in selling, general and administrative expenses:		
Management service fees to companies owned by directors and officers	**$ 98,722**	$ 140,196
Management services provided by a director	**-**	132,324
Compensation and non-cash options	**196,364**	355,134

All transactions with related parties are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At the period end, amounts outstanding with related parties are:

	June 30 2018	December 31 2017
Due to companies controlled by directors	**692,761**	631,281
Due to directors and officers	**245,000**	376,965
Due to Finsec	**2,163,125**	2,119,953
Due to shareholders	**603,729**	382,433
Due from company controlled by directors	**138,589**	135,925

i. These balances are payable on demand. The accounts payable and accrued liabilities amounts have arisen from services rendered and the due to shareholders are loans provided to the Group by the shareholders of the Group.

ii. Finsec was a related party for at the beginning of the year 2017. The related party relationship ended on October 26, 2017, when the director was not re-elected in the annual general meeting.

iii. Key management compensation comprised of salaries, for the period was $ $100,711 (2017 - $270,335). Key management includes Chief Executive Officer and Chief Financial Officer of the Company

Critical Accounting Estimates

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Corporation's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Company include the computations of agents' warrants value, charitable stock option and stock-based compensation expense and recovery of future income tax assets.

Accounting Policies

The financial statements for all periods presented herein have been translated to US dollar presentation currency. For comparative balances, assets and liabilities were translated into the presentation currency at the closing rate of exchange at the reporting date for those financial periods, and income and expenses were translated into the presentation currency using a reasonable average exchange rate that approximates the exchange rates at the dates of the transactions in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". Non-Us dollar cash flows were translated into US dollars using the average rates of exchange over the relevant period, and share capital and reserves were translated at the historical rates prevailing on the date of each relevant transaction. Exchange rate differences arising on translation to the presentation currency were recognized in the foreign currency translation reserve in shareholders' equity.

Financial Instruments and Other Instruments

The Company is not a party to any financial instruments and other instruments as defined in item 1.14 of National Instrument 51-102F1 — Management's Discussion and Analysis.

Fair values

The estimated fair value of cash, accounts receivable, other receivables, borrowings and finance leases approximates their carrying values due to the relatively short-term nature of the instruments. The fair value of accounts payables and accrued liabilities approximates their fair values due to the requirement to extinguish the liabilities on demand.

Financial risk management objectives and policies

The financial risk arising from the Company's operations are currency risk, credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries. The Company operates internationally and is exposed to foreign exchange risk as certain expenditures are denominated in non-US dollar currencies. The exposure is predominantly to the Canadian Dollar. Canadian Dollar denominated balances generate foreign exchange gains and losses that are reported on the income statement.

A strengthening of $0.01 in the Canadian Dollar against the US Dollars would have increased the net loss for the period by approximately $28,306 (2017 - $37,256) for the period. A $0.01 weakening of the Canadian against the US Dollars would have an equal, but opposite, effect. At June 30, 2018 and June 30, 2017, one Canadian Dollar was equal to 0.7594 US Dollar and 0.7706 US Dollar, respectively. Balances in non-US dollar currencies are as follows:

Cash and trade and agents receivable	$ 1,077,936
Accounts payable and other liabilities	(236,308)
	$ 841,627

Credit Risk

Credit risk is managed on overall Company basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalent and deposits with banks and financial institutions, as well as credit exposures to agents, including outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If agents are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in

accordance with limits set by the board. The utilization of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from nonperformance by these counterparties. The company continues to address the funding methods used in collection of funds from our agents while it launches other features of the Platform that uses more electronic load methods.

Liquidity Risk

The Group manages its liquidity risk by preparing and monitoring forecasts of cash expenditures to ensure that it will have sufficient liquidity to meet liabilities when due. The Group's accounts payable and accrued liabilities generally have maturities of less than 90 days. At June 30, 2018, the Company had cash of $861,621 to settle current liabilities of $17,465,674. The Company has embarked on raising capital to meet its working capital requirements, these include the new private placements and going to the capital markets for further investments into the Company.

Undiscounted cash flows of financial liabilities based on maturity date are as follows:

	1 year	2 to 5 years	>5 years	Total
Accounts payable and accrued liabilities	2,744,269	-	-	2,744,269
Taxes payable	67,339	-	-	67,339
Borrowings	14,654,066	-	-	14,654,066
	17,465,674	**-**	**-**	**17,465,674**

Fair value hierarchy

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in IFRS.

Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level two includes inputs that are observable other than quoted prices included in level one.

Level three includes inputs that are not based on observable market data.

All of the Company's cash is a level one as per the fair value hierarchy included in IFRS.

CAPITAL MANAGEMENT

The Company's primary objectives when managing capital are to continue the development of the business and support new growth initiatives. The Board of Directors does not establish quantitative capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business, and continued growth. First Global Money Inc. (FGMI) is required to meet state regulatory minimum capital requirements to continue operating with the various states. During the first quarter 2017, the parent company contributed additional capital to meet the capital requirements in the US.

Management reviews its capital management approach on an ongoing basis. The Parent is committed to providing the necessary liquidity for continued operations, as required. The impact of the Company not meeting its capital contribution may put the Money Transmitter License in the USA in jeopardy.

The Company includes equity, comprised of issued capital stock, warrants, options and conversion rights; and deficit, in the definition of capital. In order to carry out planned business activities and pay for administrative costs, the Company may spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Capital Structure

The Corporation is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of June 30, 2018, there were 254,980,876 common shares issued and outstanding, as well as 85,314,322 Warrants and 18,615,000 Stock Options.

Risk Factors

FINTECH firms such as First Global Data Limited face common risk factors which include competition and bringing new products to market. Economic uncertainty and international instability are additional risk factors that could possibly affect the Company also. Although the following is not a comprehensive list of risk factors, management would like to highlight these as relevant to the business of First Global.

1. Competition and consolidation in the technology sector – While First Global possesses leading edge and proprietary technology and solutions, the FINTECH and technology sectors in general evolve rapidly. There may be other companies developing technology similar to First Global which are better capitalized and which may be able to move more rapidly than First Global. The Company does intend to move forward to patent as much of its technology and solutions as possible, however there can be no assurances that these patents will be granted. In addition, the FINTECH sector continues to evolve with consolidation occurring. Although part of First Global's strategy includes acquiring and consolidating smaller companies, there are no assurances that this will occur nor are there any assurances that the Company will not become a target for acquisition.

2. Licensing and regulatory changes – As First Global's strategy and the services it deploys independently and with partners revolves around Money Transmitter Licensing, any changes to rules around the obtaining or retention of Money Transmitter Licenses can be a risk to the Company. In addition, regulatory changes both in jurisdictions in which First Global is licensed, and in jurisdictions in which the Company's partners operate may have a serious negative material impact to the Company's business.

3. Inability to acquire new capital from financing activities – The Company does require capital for its current operations and for the execution of its future plans. Should economic conditions change this might have a negative effect on the Company's ability to secure new capital. In addition, the Company is currently in a Cease Trade Order, which means it cannot offer securities. Should this status remain for an extended time, the Company may not be able to secure adequate capital in time to meet its obligations. As trading resumes, should the price of the Company's stock be at a level that is unattractive to investors, the Company may not be able to secure adequate capital to meet its requirements. The Company is also involved in legal proceedings and the outcome of these proceedings may have a direct or indirect effect on the Company's ability to secure adequate capital.

4. Ability for the Company to attract and retain key personnel – This is currently a risk directly related to the capital position of the Company. Should the Company not be able to increase its capital position it may be faced with a loss of key personnel.

5. Failure to develop or market new products or services – First Global believes that one of it's core focuses includes innovation which can be witnessed by the products and services the Company has launched in the past. There is a risk however that if the Company is unable to continue to evolve its product and service line or if it is unable to predict consumer needs and demands, that the Company's products and services may become unappealing to customers and partners.

6. International operations – First Global currently has operations and staff in the USA, Canada, Guyana, India and Indonesia. There is always an inherent risk of operating in international jurisdictions where regulatory rules and regulations may change from time to time. In addition to these risks, there is the possibility of social unrest, currency exchange fluctuations, trade disputes and other matters that are beyond the control of the Company.

7. Intellectual property infringement – First Global develops its own technology and solutions and owns its proprietary intellectual property. There are aspects to the Company's intellectual property that are developed and implemented by other companies and therefore these cannot be patented. Although the Company implements controls, there can be no assurances that its intellectual property will not be infringed upon.

8. Cybersecurity and hacking – The technology industry is rapidly evolving and there is more and more activity occurring around cyber-attacks and hacking of databases and technology infrastructures. Given that First Global services include internet and mobile based services, and although the Company takes active and proactive measures to protect against such criminal activity, the Company's infrastructure can become a point of attack for cyber criminals.

As defined in National Instrument 52-109 — Certification of Disclosure in issuer's Annual and Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Corporation has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this MD&A as well as of the date of this MD&A. The Corporation has evaluated its internal controls and financial reporting procedures and have found them to be effective with the objective of reporting the Company's financial transactions.