



Xigem Technologies Signs Definitive Agreement in Cylix Data Acquisition

Xigem set to Pursue Big Data Opportunity with Expanded Technology Platform

TORONTO, ON, January 10, 2022 – Xigem Technologies Corporation (“Xigem” or the “Company”) (CSE:XIGM; FSE:2C1), a technology provider for the emerging remote economy, today announced it has signed an Asset Purchase Agreement (the “APA”) with 2747524 Ontario Inc. o/a Cylix Data Group (“CDG”) dated January 7, 2022, which is the definitive agreement governing its [previously announced](#) acquisition of the assets of CDG, for aggregate consideration of \$32.35 million (the “Transaction”). Formal closing of the Transaction is expected to occur by or around January 21, 2022. Transaction details and remaining steps are described more fully below. All dollar amounts are quoted in Canadian dollars unless otherwise noted.

Throughout nearly three decades of operations, the asset underlying CDG (“Cylix”) have been built to become a proprietary database of more than 74 million data points amalgamated from both third-party vendors and internally-originated sources. The business risk profiling service has been used by hundreds of customers including large blue-chip players to improve decision-making and productivity. The principals of CDG are currently developing Artificial Intelligence functionality to further differentiate its offering in the marketplace and position it to become one of the leading aggregators and originators of corporate and personal data in the Big Data market.

“We are very pleased to have executed the definitive asset purchase agreement as we near the completion of this vital acquisition. We expect Cylix to deliver significant value to both our shareholders and our customers,” said Brian Kalish, co-founder and Chief Executive Officer of Xigem. “The integration of Cylix with our existing technologies will create a powerful platform capable of providing businesses with comprehensive customer information that can be a source of competitive advantage.”

Xigem expects to operate Cylix as a stand-alone business unit immediately following the formal closing of the Transaction, with Cylix later becoming the unifying platform supporting the Company's other core technologies organically. The integrated offering will provide users of Xigem's iAgent SaaS-based CRM platform and its FOOi payment platform with instant access to streamlined information about current and potential customers and business partners. The information can be used to assist in allocating resources while also mitigating fraud risk in payment transactions.

Once integrated, Xigem's new technology is expected to create a robust platform to capitalize on the growing multi-billion dollar Big Data market. According to Research and Markets, the global market for Big Data was estimated at US\$70.5 billion in the year 2020, and is projected to reach US\$243.4 billion by 2027, spurred on in large part by the ramifications of the COVID-19 pandemic.¹ The segment in which Cylix currently competes, the global fraud detection and prevention market, was estimated at US\$19.8 billion in 2019 and is expected to grow to US\$106.7 billion by 2027, exhibiting a compound annual growth rate of 24% during the forecast period.²

¹ [Age of Analytics Provides the Cornerstone for the Disruptive Growth & Proliferation of Big Data Technologies](#), Research and Markets, December 2020

² Fortune Business Insights, [Fraud Detection and Prevention Market Size](#), July 2021.

Transaction Details

Pursuant to the APA, the Company has agreed to purchase substantially all of the assets of CDG (the “**Assets**”) for consideration of \$32,350,000 (the “**Transaction**”), in accordance with terms consistent with the binding letter of intent (the “**LOI**”) executed on October 29, 2021. The Company will issue 64,700,000 units (the “**Units**”) at a deemed price of \$0.50 per Unit, with each Unit comprised of one common share of the Company (a “**Common Share**”) and one-seventh (1/7) of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one additional Common Share at a price of \$0.60 for a period of 24 months. The securities issued under the Transaction are subject to contractual restrictions on trading, such that 50% may not be traded until six months after the closing of the Transaction, and the remaining 50% may not be traded until 12 months after the closing.

Prior to closing, the recipients of the Units, which are anticipated to be comprised of the shareholders of CDG, will enter into support and voting agreements with Xigem, pursuant to which such recipients will agree to vote any Common Shares that they then hold in favour of any matter put forth to the shareholders of Xigem by its then-current board for a period of two years, subject to early termination in certain circumstances. In addition, on closing Xigem and an entity controlled by one of the principals of CDG (the “**Manager**”) will enter into a management agreement (the “**MA**”), under which the Manager will (i) fund \$500,000 towards completion and commercialization of the next generation Cylix technology; (ii) fund additional development costs associated with Cylix until the earlier of Cylix meeting certain financial milestones or Xigem completing a subsequent financing; and (iii) substantially manage the operations of the Cylix business on behalf of Xigem.

The Company will appoint a nominee of CDG to its board of directors, and may also appoint an observer to its board of directors. Details of the board and observer appointments will be announced shortly.

The Transaction, including the proposed issuance of Common Shares and Warrants, is subject to customary closing conditions including the receipt of any required regulatory and exchange approvals.

About Cylix Data

Cylix Data is a B2B business intelligence technology company whose software improves efficiency and increases productivity for business professionals through the supply of information required to implement risk-management and decision-making processes. The Cylix database AI conglomerates, amalgamates, and cross-references seemingly disparate information into a comprehensive customer profile report and score that can be easily understood. For more information, please visit www.cylixdata.com.

About Xigem Technologies Corporation

Established in Toronto, Ontario, Xigem is positioned to become a leading technology provider for the emerging near trillion-dollar remote economy, with software capable of improving the capacity, productivity, and overall remote operations for businesses, consumers, and other organizations. iAgent, the Company’s patented technology, and FOOi, its proprietary peer-to-peer mobile payments app, will provide organizations, businesses, and consumers with the tools necessary to thrive in a vast array of remote working, learning and treatment environments, while the Company looks to aggregate a portfolio of innovative technologies capable of disrupting traditional business models.

www.xigemtechnologies.com

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking statements" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements regarding: the Company's ability to close the Transaction on or about January 21, 2022; the ability of Cylix to become one of the leading and most robust aggregators and originators of corporate and personal data in the Big Data market; the ability of Cylix to add AI functionality to its product offerings; the ability of Cylix to become a unifying engine that connects and drives other key technologies in Xigem's portfolio; and increased market demand for Cylix's products.

Forward-looking information in this news release is based on certain assumptions and expected future events, namely: the Company's ability to continue as a going concern; the continued commercial viability and growth in popularity of the Company's and Cylix's applications; the Company's ability to continue to develop and acquire revenue-generating applications; continued approval of the Company's activities by the relevant governmental and/or regulatory authorities; the continued development of the Company's and Cylix's technologies; the continued growth of the Company and Cylix; the Company's ability to finance the closing of the Transaction; and the ability of the Company to fulfil the requirements of the CSE in respect of the Transaction.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the potential inability of the Company to continue as a going concern; the risks associated with the technology and data industries in general; increased competition in the technology, data and AI markets; the potential future unviability of the Company's and Cylix's product offerings; incorrect assessment of the value and potential benefits of the Transaction; risks associated with potential governmental and/or regulatory action with respect to the Company's activities; risks associated with a potential collapse in the value of data-related services; risks associated with the Company's potential inability to obtain regulatory approval with respect to the Transaction; the Company's inability to close the Transaction on or about January 17, 2022; the inability of Cylix to become one of the leading and most robust aggregators and originators of corporate and personal data in the Big Data market; the inability of Cylix to add AI functionality to its product offerings; risk that Cylix will not become a unifying engine that connects and drives other key technologies in Xigem's portfolio; and risks with respect to market demand for Cylix's products.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

SOURCE: Xigem Technologies Corporation

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