

XIGEM TECHNOLOGIES CORPORATION

FORM 51-102F3 MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Xigem Technologies Corporation (the “**Company**” or “**Xigem**”)
2704 – 401 Bay Street
Toronto, Ontario
M5H 2Y4

Item 2: Date of Material Change

January 24, 2022

Item 3: News Release

A news release was issued and disseminated on January 24, 2022 and filed on SEDAR at www.sedar.com, a copy of which is attached hereto as Schedule “A”.

Item 4: Summary of Material Change

The Company announced that it has completed the previously announced acquisition of the assets of 2747524 Ontario Inc. o/a Cylix Data Group (“**CDG**”) for aggregate consideration of \$32.35 million (the “**Transaction**”).

Pursuant to the Transaction, the Company has purchased substantially all of the assets of CDG for consideration of \$32,350,000, in accordance with terms consistent with the asset purchase agreement executed on January 7, 2022.

Furthermore, in connection with the Transaction, the Company has issued 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: (i) 50% may not be traded until the later of six (6) months after the closing of the Transaction and Xigem’s filing of the business acquisition report as required under securities regulations (the “**BAR Filing**”); and (ii) 50% may not be traded until the later of 12 months after the closing of the Transaction and the BAR Filing.

The recipients of the Units, comprised of the shareholders of CDG, have entered into support and voting agreements with Xigem, pursuant to which such recipients have agreed 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, Xigem and an entity, controlled by one of the principals of CDG (the “**Manager**”) have entered into a management agreement 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.

Item 5.1: Full Description of Material Change

See attached news release at Schedule “A” to this report.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102 (Confidentiality)

Not applicable.

Item 7: Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8: Executive Officer

For additional information with respect to this material change, the following person may be contacted:

Brian Kalish, CEO
Telephone: 647-250-9824 ext. 4
Email: investors@xigenttechnologies.com

Item 9: Date of Report

This report is dated as of January 31, 2022.

SCHEDULE "A"

Please see attached.



Xigem Technologies Closes on Acquisition of Cylix Data

Acquisition of Business Intelligence Platform Marks Xigem's Entry into the Big Data Market

TORONTO, ON, January 24, 2022 – Xigem Technologies Corporation (“Xigem” or the “Company”) (CSE:XIGM; FSE:2C1), a technology provider for the emerging remote economy, today announced it has completed the [previously announced](#) acquisition of the assets of 2747524 Ontario Inc. o/a Cylix Data Group (“CDG”) for aggregate consideration of \$32.35 million (the “Transaction”). All dollar amounts are quoted in Canadian dollars unless otherwise noted.

The business risk profiling service asset underlying CDG (“Cylix”) has been used by hundreds of businesses including large blue-chip companies to improve their decision-making and productivity, manage risk and optimize their returns. Xigem will now advance the development of Cylix’s Artificial Intelligence functionality to further differentiate its offering in the marketplace in an effort to position Cylix to become one of the leading aggregators and originators of corporate and personal data.

“We are very pleased to complete the acquisition of Cylix’s innovative technology platform. Cylix is a very welcome addition to Xigem’s portfolio of SaaS assets, and marks Xigem’s entrance into the Big Data market,” said Brian Kalish, co-founder and Chief Executive Officer of Xigem.

Xigem will operate Cylix as a stand-alone business unit, with Cylix to become the technology platform supporting the Company’s other core technologies. 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

Transaction Details

The Company has purchased substantially all of the assets of CDG (the “Assets”) for consideration of \$32,350,000 (the “Transaction”), in accordance with terms consistent with the asset purchase agreement (the “APA”) executed on January 7, 2022. The Company has issued 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: (i) 50% may not be traded until the later of six (6) months after the closing of the Transaction and Xigem’s filing of the business acquisition report as required under securities regulations (the “BAR Filing”); and (ii) 50% may not be traded until the later of 12 months after the closing of the Transaction and the BAR Filing.

Following the completion of the Transaction, Xigem has 152,276,204 Common Shares issued and outstanding. On a fully diluted basis, the Company has 173,817,204 Common Shares outstanding, including the 9,242,857 Warrants issued in connection with the Transaction.

The recipients of the Units, comprised of the shareholders of CDG, have entered into support and voting agreements with Xigem, pursuant to which such recipients have agreed 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, Xigem and an entity controlled by one of the principals of CDG (the “**Manager**”) have entered 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 Company will disclose further details about the transaction and the Assets acquired in the BAR Filing expected to be filed with Canadian securities regulators by April 6, 2022. The BAR Filing will include audited financial statements relating to the Assets.

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, FOOi, its proprietary peer-to-peer mobile payments app, and Cylix, its business intelligence engine, 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

Instagram: [@xigemtechnologies](https://www.instagram.com/xigemtechnologies)

Twitter: [@XigemTech](https://twitter.com/XigemTech)

Facebook: [@xigemtechnologies](https://www.facebook.com/xigemtechnologies)

LinkedIn: www.linkedin.com/company/xigem-technologies

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: Xigem advancing the development of Cylix’s Artificial Intelligence functionality to further differentiate its offering in the marketplace in an effort to position Cylix to become one of the leading aggregators and originators of corporate and personal

data; Xigem operating Cylix as a stand-alone business unit and Cylix becoming a unifying platform that supports and drives Xigem's other core technologies; the expectation that Xigem's new technology will create a robust platform to capitalize on the growing multi-billion dollar Big Data market; and timeline with respect to the BAR Filing.

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; the ability of Xigem to advance the development of Cylix's Artificial Intelligence; 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; continued approval of the Company's activities by the relevant governmental and/or regulatory authorities; the ability of Cylix to add AI functionality to its product offerings; the ability of Cylix to become a unifying platform that supports and drives Xigem's other core technologies; increased market demand for Cylix's products; the continued development of the Company's and Cylix's technologies; the continued growth of the Company and Cylix; and the continued growth of the Big Data market.

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; 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

On behalf of the Company:
Brian Kalish, Chief Executive Officer

For further information:

Phone: (647) 250-9824 ext.4

Investors: investors@xigemtechnologies.com

Media: media@xigemtechnologies.com



www.xigemtechnologies.com

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.