



Xigem Technologies Announces Intention to Purchase All Source B2B SaaS Platform

Addition of SaaS Logistics Business Further Strengthens Xigem's Technology Portfolio

TORONTO, ON, March 1, 2022 – Xigem Technologies Corporation (“Xigem” or the “Company”) (CSE:XIGM; FSE:2C1), a technology provider for the emerging remote economy, is pleased to announce that it has entered into a letter of intent (the “LOI”) on February 25, 2022 to purchase software platform All Source B2B (“B2B” or “All Source B2B”) from All Source Security Container Mfg. Corp. (“SCMC”) for cash consideration of \$1.6 million (the “Transaction”). All dollar amounts are quoted in Canadian dollars unless otherwise noted.

All Source B2B was initially developed by SCMC as its proprietary logistics platform to optimize distribution of its products to its small and medium sized customers across North America. As the technology engine that fuels SCMC, All Source B2B has enabled SCMC and is intended to enable other third party producers to list, sell and distribute their products in wholesale quantities. All Source B2B also provides integrated logistics capabilities, allowing customers to ship inventory directly from their warehouse while taking advantage of Less-than-Truckload (LTL) quantities. SCMC is one of North America's largest distributors of document destruction containers, including shred consoles, collection carts, bins and related accessories. All Source B2B has evolved into a wholesale SaaS-based storefront with robust logistics management capabilities.

All Source B2B is fully integrated into a single cloud-based Zoho enterprise resource planning (ERP) system that connects the front end of any company's website to their inventory, operations and CRM functions, effectively automating the entire sales and marketing funnel, allowing it to function as a SaaS system for other markets.

“This transaction is highly complementary to our existing business. The ongoing transformation of the economy has seen manufacturers and distributors increasingly selling through e-commerce platforms and shipping directly to their customers. All Source B2B has demonstrated that it is poised to be a leader in this part of the SaaS space,” said Brian Kalish, co-founder and Chief Executive Officer of Xigem. “Having just completed a significant acquisition of Cylix Data, we are pleased to add another innovative, synergistic and revenue-generating asset to our expected multi-tiered revenue producing ecosystem.”

According to its management-prepared financial statements, in fiscal 2021, All Source B2B generated annualized revenue of \$2.65 million, with an EBITDA margin of 12%. Fiscal 2020 revenue was \$2.62 million with a 22% EBITDA margin. Fiscal 2019 revenue was \$4.57 million with a 15% EBITDA margin. Fiscal 2018 revenue was \$6.12 million with a 19% EBITDA margin. Future B2B revenue, if achieved, would be purely accretive to Xigem.

As part of the Transaction, SCMC will enter into an exclusive 10 year agreement with All Source B2B where it will continue to provide its technology services. The sale of the software business to Xigem is designed to facilitate B2B's growth and further expansion into new sectors, while enabling Xigem to integrate the B2B technology into its iAgent SaaS platform, giving it access to new markets and further enhancing iAgent's scope of appeal.

The global market for logistics software is expected to grow by more than 8% annually, reaching US\$17.75 billion by 2030.¹ According to Market Research Future (MRFR), growth drivers include the

ability of logistics software to reduce costs and improve service, while providing real-time visibility into delivery status and scheduling. Recent disruptions in global supply chains resulting from aftermath of the pandemic have prompted some organizations to adopt logistics software.

Transaction Details

Pursuant to the terms of the LOI, the Company will purchase All Source B2B for cash consideration of \$1,600,000, to be paid upon closing. The Transaction is subject to customary conditions including the completion of due diligence, the execution of definitive agreements and the receipt of any regulatory approvals. The Transaction is expected to close within the next 60 days, but may be extended to 120 days.

It is anticipated that the Transaction will be considered a “related party transaction” as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, as (i) the Company and SCMC have a common shareholder that holds greater than 10% of the issued and outstanding common shares of each of the Company and SCMC, and (ii) a member of the board of directors of the Company also holds a role with SCMC which includes the management or direction of the operations of SCMC. The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements set out in sections 5.5(a) and 5.7(1)(a) of MI 61-101.

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 Data, 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

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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 future business plans and strategies; the completion of the Transaction on the terms and on such timing as set out in the LOI and as described herein; the ability to rely on certain exemptions for related party transactions in respect of the Transaction; the potential future benefits of the Transaction; changes in business practices relating to changes in the economy more generally; future capabilities, expansion and enhancements of the products described herein; future agreements to be entered into by the Company with respect to All Source B2B; growth in the market for logistics software and specific aspects relating to such growth; and the development of the remote economy.

Forward-looking information in this news release is based on certain assumptions and expected future events, namely: the completion of the Transaction on the terms and the timing as set out in the LOI and as described

herein; the ability to fulfill the conditions of certain exemptions for related party transactions in respect of the Transaction; the continued commercial viability and growth in popularity of the Company's applications, including with respect to All Source B2B's; the ability to continue to advance the development of the Company's products, including those related to All Source B2B; continued approval of the Company's activities by the relevant governmental and/or regulatory authorities; the ability of the Company and All Source B2B to enhance features and functionality of their products as currently anticipated; continued market demand for the Company's and All Source B2B's products; continued development of the Company's and All Source B2B's technologies; the continued growth and expansion of the Company and All Source B2B; and the continued growth of the industry the Company operates in.

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 for the Transaction to not close on the terms or timing as set out in the LOI and as described herein, or at all; the potential inability of the Company to continue as a going concern; risks associated with the technology and data industries in general, including but not limited to the risk that such industries will not continue to develop or expand as anticipated; increased competition in the technology and data markets; the potential future unviability or limited viability of the Company's and/or All Source B2B's product offerings; the incorrect assessment of the value and potential benefits of the products described in this press release and any expected capabilities and/or enhancements to such products; risks associated with potential governmental and/or regulatory action with respect to the activities of the Company and/or All Source B2B; risks associated with a potential collapse in the value of data-related services; the inability of the Company and/or All Source B2B to enhance functionality of its product offerings; risks related to market demand for the Company's and/or All Source B2B'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:
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¹ Market Research Future (MRFR), [Logistics Software Market](#) information by Software Type, by End-users and Region – forecast to 2030