



Xigem Technologies Announces Completion of Acquisition of AI powered Automotive Shopping Platform EchoDigital

TORONTO, ON, March 8, 2023 – Xigem Technologies Corporation (“Xigem” or the “Company”) (CSE:XIGM; FSE:VZ6), a technology provider for the emerging remote economy, today announced that the Company has closed the [previously announced](#) acquisition of EAFdigital Inc. (“EchoDigital”), an artificial intelligence (“AI”) driven, SaaS-fueled automobile shopping and delivery platform for the \$1.5 trillion global used automobile market.¹ The Company purchased substantially all of the assets of EchoDigital from EAF Group of Companies (“EAF GROUP” or the “Vendor”) for aggregate consideration of \$892,450 (the “Transaction”).

EchoDigital is a SaaS-based platform using its proprietary AI to seamlessly generate leads from traditional sources. The EchoDigital AI assesses and qualifies the lead and determines the lead’s psychological aptitude then matching it with the most suitable and qualified customer service/sales representative (“CSR”), as also determined by the AI, to complete the sale. EchoDigital is designed to optimize sales funnels and enhance conversion rates while reducing risk and spending on customer acquisition.

EchoDigital has delivered proven results in the automotive sales sector, and is readily scalable, customizable and applicable to almost any CSR-dependent sales system in a range of industry verticals.

“We expect EchoDigital to make an immediate financial contribution based on its current business, with potential growth from marketing the platform within the automotive sales space as well as other sectors,” said Brian Kalish, co-founder and Chief Executive Officer of Xigem. “EchoDigital can be a source of competitive advantage for companies who wish to make use of the most advanced technology to efficiently and effectively increase their sales.”

EchoDigital currently supports the EAF GROUP, a vertically integrated automobile sales, leasing, servicing, finance and warranty provider. Echo Auto Group, established in 2006, developed and began commercializing EchoDigital for its own use in 2018. Since then, EchoDigital has acted as the sales engine for several of the EAF GROUP’s divisions, proving itself to be a cost reduction and sales driving tool. EchoDigital has been responsible for approximately 60% of the EAF GROUP’s overall sales.

On the basis of unaudited financial results for the calendar year ended December 31, 2022, as well as the terms of a management agreement executed by the parties, EchoDigital is projecting receiving gross royalties of approximately \$8.2 million, resulting in net royalty revenues of approximately \$0.3 million, on EAF GROUP sales for the calendar year ending December 31, 2023.

Transaction Details

The Company has purchased assets of EchoDigital for consideration of 8,924,495 common shares of the Company (the “Shares”), in accordance with terms consistent with the asset purchase agreement (the “APA”) executed on February 24, 2023. Based on the closing price of the Company’s common shares on February 24, 2023, the Shares are valued at \$892,450.

¹ Source: Research and Markets, January 2023

The Shares issued under the Transaction are subject to the customary four (4) month resale restriction under applicable securities laws as well contractual restrictions on trading, such that 50% may not be traded until five months after the closing of the Transaction, and the remaining 50% may not be traded until 10 months after the closing.

In addition to the Shares issued to the Vendor, a finder's fee of 892,450 common shares of the Company, representing approximately 10% of the value of the Transaction (the "**Finder's Fee**"), has been issued to an arm's-length party and is subject the customary four (4) month resale restriction under applicable securities laws.

EchoDigital will be operated as a wholly-owned subsidiary of the Company. Pursuant to a royalty and service-based management agreement executed by the parties, EAF GROUP will provide management services relating to EchoDigital, while EchoDigital will continue to support the sales efforts of the EAF GROUP, for at least 10 years.

The parties to the Transaction have entered into a voting support and lock-up agreement pursuant to which the recipients of the Shares have agreed to vote any Shares that they then hold in favour of Xigem's board of directors and management for a period encompassing each of the Company's next two annual meetings of shareholders, subject to certain limitations.

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 EchoDigital, an AI-powered SaaS automotive shopping platform, are intended to provide organizations, businesses, and consumers with the tools necessary to thrive in a vast array of remote working, learning, shopping 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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Further Information

The Company and the Vendor will provide further details in respect of the Transaction in due course by way of press release. The Company and the Vendor will make available all information as required by applicable regulatory authorities and will provide, in a press release to be disseminated at a later date, any additional required disclosure. All information contained in this press release with respect to the Company and EAFdigital was supplied by the parties respectively, for inclusion herein, without independent review by the other party, and each party and its directors and officers have relied on the other party for any information concerning the other party.

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.

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 ability of the Company to continue adding innovative technologies to its portfolio.

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 EchoDigital'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 EchoDigital's technologies; and the continued growth of the Company and EchoDigital.

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 EchoDigital'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 ability to continue generating a profit; the inability of the Company to continue adding innovative technologies to its portfolio; and risks with respect to market demand for EchoDigital'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.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

SOURCE: Xigem Technologies Corporation

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