Annual Report
for the Year Ending December 31, 2017

XALLES HOLDINGS INC.

TABLE OF CONTENTS

Forward-looking Statements

This annual report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable laws, including the securities laws of the United States, we do not intend to update any of the forward-looking statements so as to conform these statements to actual results.

As used in this annual report, the terms "we", "us", "our", “the Company”, and "Xalles" mean Xalles Holdings Inc., unless otherwise indicated.

All dollar amounts refer to US dollars unless otherwise indicated.

Item 1. Name of the issuer and its predecessors (if any)

XALLES HOLDINGS INC.

Note: The Company was incorporated as Stella Blu, Inc. in 2009 in the state of Nevada and renamed to Xalles Holdings Inc. on August 21, 2015.

EIN: 80-0524316

Item 2. Address of the issuer's principal executive offices

COMPANY INFORMATION

Principal Address:	2020 Pennsylvania Ave. NW, #527, Washington DC 20006
Principal Contact:	Thomas Nash, CEO
Telephone Number:	(202) 595-1299
Email address:	twnash@xalles.com
Company website:	www.xalles.com

INVESTOR RELATIONS INFORMATION

Firm:	I-Business Management, LLC
Principal Address:	4223 Autumn Palm Drive Zephyrhills FL 33542
Contact Person:	Teresa Misenheimer
Telephone Number:	813-500-7332
Contact Email:	teresa@i-businessmanagementllc.com
Company website:	www.i-businessmanagementllc.com

Item 3. Security Information

All Security information is current as of May 10, 2018.

Class:	Common Shares
Trading Symbol:	XALL
CUSIP:	98388D107
Par Value:	$0.0001
Total Authorized:	500,000,000
Total Outstanding:	79,320,000
Restricted Outstanding:	25,720,000
Non-Restricted Outstanding:	53,600,000

Class:	Preferred Shares, all Series combined
Total Authorized:	5,000,000

Class:	Preferred Shares, Series A
Trading Symbol:	n/a
CUSIP:	n/a
Par Value:	$0.001
Total Designated:	1,000,000
Total Outstanding:	1,000,000
Restricted Outstanding:	1,000,000
Non-Restricted Outstanding:	0

Class:	Preferred Shares, Series B
Trading Symbol:	n/a
CUSIP:	n/a
Par Value:	$0.001
Total Designated:	1,000,000
Total Outstanding:	1,000,000
Restricted Outstanding:	1,000,000
Non-Restricted Outstanding:	0

Class:	Preferred Shares, Series C
Trading Symbol:	n/a
CUSIP:	n/a
Par Value:	$0.001
Total Designated:	2,000,000
Total Outstanding:	1,420,000
Restricted Outstanding:	1,420,000
Non-Restricted Outstanding:	0

Transfer Agent:	VStock Transfer LLC
Address:	18 Lafayette Place, Woodmere, NY 11598
Telephone:	212-828-8436
Email:	info@vstocktransfer.com
Note:	Transfer Agent is registered under the Exchange Act

List any restrictions on the transfer of security: None.

Describe any trading suspension orders issued by the SEC in the past 12 months: None.

List any stock split, stock dividend, recapitalization, merger, acquisition, spinoff, or reorganization either currently anticipated or that occurred within the past 12 months: None.

Item 4. Issuance History

Background Information

On July 14, 2015, the Company entered into an Agreement with Xalles Limited ("Xalles Limited"), a Delaware corporation, ArrowVista Corporation ("ArrowVista"), a Delaware corporation, Xalles Singapore Pte. Ltd. ("Xalles Singapore"), a Singapore corporation, and the shareholders of Xalles, ArrowVista, and Xalles Singapore. Pursuant to the Agreement, Xalles Limited, ArrowVista, and Xalles Singapore will become wholly-owned subsidiaries of the Company in exchange for the issuance of certain shares. Xalles Limited became a wholly-owned subsidiary by the issuance of 19,500,000 shares of common stock on July 16, 2015. ArrowVista will become a wholly-owned subsidiary by the issuance of 4,500,000 shares of common stock on or before June 30, 2016. Xalles Singapore will become a wholly-owned subsidiary by the issuance of 2,250,000 shares of common stock on or before June 30, 2016. The consummation of the transactions set forth in the Agreement are subject to certain conditions. The original shareholders of the Company agreed to fund $300,000 to support the current operations and continued development of the business. The share purchase agreement was a capital transaction in substance and therefore has been accounted for as a reverse capitalization. Under reverse capitalization accounting, Xalles Limited was considered the acquirer for accounting and financial reporting purposes, and acquired the assets and assumed the liabilities of the Company. Assets acquired and liabilities assumed are reported at their historical amounts. These consolidated financial statements include the accounts of the Company since the effective date of the recapitalization and the historical accounts of Xalles Limited since inception.

Transactions

a) On July 16, 2015, the Company issued 19,500,000 shares of common stock pursuant to the Share Exchange Agreement with Xalles Limited, a Delaware corporation, to effect the acquisition and reverse capitalization. See above description.

b) Effective July 16, 2015, the Company cancelled 19,500,000 shares of common stock held by the former President of the Company.

c) On August 19, 2015, the Company effected a 3-for-1 forward stock split of its common stock. All common share and per common share amounts in these financial statements have been retroactively restated to reflect the stock split.

d) As of September 30, 2015, the Company had 15,000 (December 31, 2014 - nil) shares of common stock issuable to a consultant for services to be performed pursuant to an agreement dated August 28, 2015. Those shares were issued on December 30, 2015 as per reference item f) below.

e) On October 7, 2015, the Company issued 1,000,000 shares of Series A preferred stock to the CEO of the Company and a former director of the Company. The issuance of the Series A preferred stock was made pursuant to the share exchange agreement, and recorded as contributed capital.

f) On December 30, 2015, the Company issued 15,000 shares of common stock with a fair value of $15 to a consultant for services performed pursuant to an agreement dated August 28, 2015.

g) On December 30, 2015, a former director cancelled 500,000 shares of Series A preferred stock, which were reissued to a new director.

h) On December 30, 2015, the Company issued 500,000 shares of Series A preferred stock to a new director of the Company. The issuance of the Series A Preferred Stock was made pursuant to the share exchange agreement, and recorded as contributed capital.

i) On December 30, 2015, as valuable consideration, the Company also issued 100,000 shares of common stock to this new director.

j) On January 4, 2017, in consideration for future consulting services, the Company issued a $90,000 convertible note which is unsecured, bears interest at 6% per annum and was due on April 4, 2017. The note is convertible into shares of common stock 90 days after the date of issuance (April 4, 2017) at a conversion rate of 60% of the average of the three lowest closing bid prices of the Company's common stock for the twenty trading days ending one trading day prior to the date the conversion notice is sent by the holder to the Company. In no event shall the holder be entitled to convert the note resulting in ownership of more than 9.99% of the outstanding common shares of the Company.

k) On October 20, 2017, the Company issued 1,000,000 Shares of Preferred Series B restricted shares to a third party, Jason Barrocas, as per a note agreement.

l) As of October 23, 2017, the note of $60,000 was retired in exchange for issuing 5,000,000 restricted common shares.

m) As of October 23, 2017, the Company issued 100,000,000 restricted common shares to an officer of the Company in consideration of services performed.

n) As of October 26, 2017, the Company issued 225,000,000 common shares to a Note Holder as settlement of the Note Payable. The shares were initially placed in reserve.

o) As of November 9, 2017, the Company issued 75,000,000 restricted common shares to an officer of the Company, as the sole shareholder of ArrowVista Corporation, of which 100% of its outstanding shares were acquired by the Company in a Share Purchase Agreement.

p) As of November 9, 2017, the Company issued 500,000 restricted common shares to a service provider of the Company in exchange for Public Relations and Marketing services to be provided during part of 2017 and part of 2018.

q) As of November 10, 2017, the Company issued 300,000 restricted common shares to a service provider of the Company in exchange for retiring an Account Payable of $50,000.

r) As of November 10, 2017, the Company issued 20,000 restricted common shares to a Note Holder of the Company in exchange for interest due on the Note. The principal remains as an outstanding Note.

s) As of November 10, 2017, the Company issued 35,000 restricted common shares to a Note Holder of the Company in exchange for interest due on the Note. The principal remains as an outstanding Note.

t) As of December 6, 2017, the Company issued 300,000 restricted common shares to a service provider of the Company in exchange for retiring an Account Payable of $50,000.

u) As of April 6, 2018, the Company designated 2,000,000 of the 5,000,000 authorized Preferred Shares of par value $0.001, as Series C Convertible Preferred Shares. Each Series C Preferred Share is convertible to 100 common shares and has the voting rights equivalent to the number of common shares that it converts to.

v) As of April 16, 2018, the Company issued 5,000,000 restricted common shares to a service provider of the Company in exchange for Advisory services to be provided during part of 2018, 2019 and part of 2020.

w) As of April 19, 2018, an officer of the Company cancelled 180,000,000 restricted common shares and concurrently the Company issued 1,400,000 Series C Preferred shares to the same officer.

x) As of April 20, 2018, the Company issued 20,000 Series C Preferred shares to the shareholder of BlockForge Inc., a Delaware C Corporation, acquired through a Share Purchase Agreement.

y) As of April 20, 2018, the Company issued 150,000 restricted common shares to a Note Holder of Co-Owners Rewards Inc., a Florida C Corporation, that the Company is negotiating a Share Purchase Agreement with.

z) As of April 26, 2018, the Company entered into a Share Purchase Agreement with Co-Owners Rewards Inc., a Florida C Corporation, which upon closing will become a wholly subsidiary of the Company and the Company will issue 157,950 Series C Preferred shares to the shareholders of Co-Owners Rewards Inc.

aa) As of May 4, 2018, the creditor of the Company who was issued 225,000,000 common shares for the settlement of a Note agreed with the Company to reduce the number of shares placed in reserve by 160,000,000 shares.

Notes:

1. All classes of common and preferred share authorizations were registered in the state of Nevada.
2. The certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

Item 5. Financial Statements

XALLES HOLDINGS INC.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017

(Expressed in US dollars)

(Unaudited)

XALLES HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
(Expressed in US dollars)
(Unaudited)

		As of December 31, 2017		As of December 31, 2016
ASSETS				
ASSETS				
Cash	$	75	$	1,529
Advances		0		17,000
Other Current assets		683,318		0
Total Current Assets		**683,393**		**18,529**
Licenses (Note 5)		833		900
Prepaid Expenses		15,600		0
Total Assets	$	**699,826**		**19,429**
LIABILITIES AND STOCKHOLDERS' DEFICIT				
CURRENT LIABILITIES				
Accounts payable (Notes 6 and 8)	$	142,863	$	162,015
Accrued liabilities (Note 6)		27,776		10,807
Notes payable		1,015,696		74,000
Total Current Liabilities		1,186,335		246,822
Convertible debentures (Note 6)		270,000		240,000
Stock-settled debt obligation (Note 6)		100,000		160.000
Loan payable		11,793		11,793
Due to related parties (Notes 7 and 8)		204,416		150,175
TOTAL LIABILITIES	**$**	**1,772,544**		**808,790**
STOCKHOLDERS' DEFICIT				
Capital Stock				
Preferred Stock, 5,000,000 shares authorized, par value $0.001, Preferred Series A 1,000,000 shares designated (2016: 1,000,000), 1,000,000 shares issued and outstanding as of December 31, 2017 (2016: 1,000,000)		1,000		1,000
Preferred Series B 1,000,000 shares designated (2016: nil), 1,000,000 shares issued and outstanding as of December 31, 2017 (2016: nil)		1,000		0
Common stock, 500,000,000 shares authorized, par value $0.0001, 230,170,000 shares issued and outstanding as of December 31, 2017 (2016: 31,015,000)		43,717		3,102
Additional paid-in capital		164,621		(96,587)
Accumulated deficit		(1,283,056)		(696,876)
TOTAL STOCKHOLDERS' DEFICIT		**(1,072,718)**		**(789,361)**
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	**$**	**699,826**	$	**19,429**

Subsequent events (Note 12)

The accompanying notes are an integral part of these consolidated financial statements.

XALLES HOLDINGS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in US dollars)
(Unaudited)

	Year ended December 31, 2017	Year ended December 31, 2016
REVENUE	$ –	$ –
EXPENSES		
General and administrative	19,962	27,417
Amortization	67	64
Consulting fees	143,800	319,352
Consulting fees – Related Party	10,000	–
Professional fees	15,079	62,566
Total operating expenses	**188,908**	**409,399**
Net loss before other income & (expenses)	**(188,908)**	**(409,399)**
Other Income (Expense)		
Interest earned	11,664	-
Accretion expense	-	(120,000)
Interest expense	(92,331)	(10,543)
Net Income (Loss)	**$ (269,575)**	**$ (539,942)**
BASIC AND DILUTED LOSS PER COMMON SHARE	**$ (0.0012)**	**$ (0.0174)**
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**230,170,000**	**31,015,000**

The accompanying notes are an integral part of these consolidated financial statements.

XALLES HOLDINGS INC.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
(Expressed in US dollars)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2014	–	–	30,900,000	3,090	(3,075)	(484)	(469)
Recapitalization of Xalles Holdings Inc.	–	–	19,500,000	1,950	(127,611)	–	(125,661)
Cancellation of common shares held by the former President of the Company	–	–	(19,500,000)	(1,950)	1,950	–	–
Preferred stock issued pursuant to share exchange agreement (Note 1)	1,000,000	1,000	–	–	(1,000)	–	–
Common stock issued for future directors fees	–	–	100,000	10	(10)	–	–
Common stock issued for consulting services	–	–	15,000	2	13	–	15
Net loss for the year	–	–	–	–	–	(156,450)	(156,450)
Balance as of December 31, 2015	1,000,000	$ 1,000	31,015,000	$ 3,102	$ (129,733)	$ (156,934)	$ (282,565)
Contributions from shareholder	–	–	–	–	33,146	–	33,000
Net loss for the year	–	–	–	–	–	(539,942)	(539,942)
Balance as of December 31, 2016	1,000,000	$ 1,000	31,015,000	$ 3,102	$ (96,587)	$ (696,876)	$ (789,361)
ArrowVista Open Equity & R/E					261,208	(316,605)	(55,397)
Share Issuances		1,000	199,155,000	40,615			41,615
Net loss for the year ended 12/31/17	–	–	–	–	–	(269,575)	(269,575)
Balance as of December 31, 2017	**1,000,000**	**$ 2,000**	**230,170,000**	**$ 43,717**	**$ 164,621**	**$ (1,283,056)**	**$ 1,072,718**

The accompanying notes are an integral part of these consolidated financial statements.

XALLES HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in US dollars)

	Year ended December 31, 2017	Year ended December 31, 2016
OPERATING ACTIVITIES		
Net loss	$ (269,575)	$ (539,942)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion of discounts on convertible debt	-	120,000
Amortization of license	+67	+64
Issuance of stock for consulting services	-	–
Stock-based compensation	-	–
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	2,183	139,914
Advances	17,000	(17,000)
NET CASH USED IN OPERATING ACTIVITIES	**(250,325)**	**(296,964)**
FINANCING ACTIVITIES		
Proceeds from related parties	54,241	(469)
Contributions from shareholders	-	33,146
Proceeds from loan payable	-	11,793
Net Proceeds from note payable	164,630	74,000
Issuance of convertible notes	30,000	180,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	**248,871**	**298,470**
NET CHANGE IN CASH	**(1,454)**	**1,506**
CASH, BEGINNING OF YEAR	1,529	23
CASH, END OF YEAR	**$ 75**	**$ 1,529**

The accompanying notes are an integral part of these consolidated financial statements.

XALLES HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017
(Expressed in US dollars)

NOTE 1 – GENERAL ORGANIZATION AND BUSINESS AND GOING CONCERN

Xalles Holdings Inc. ("the Company") was incorporated in the State of Nevada on December 14, 2009 under the name Stella Blu, Inc. On August 24, 2015, the Company changed its name to Xalles Holdings Inc.

On July 14, 2015, the Company entered into a Share Exchange Agreement (the "Agreement") with Xalles Limited ("Xalles"), a Delaware corporation (incorporated in October 2014), ArrowVista Corporation ("ArrowVista"), a Delaware corporation, Xalles Singapore Pte. Ltd. ("Xalles Singapore"), a Singapore corporation, and the shareholders of Xalles, ArrowVista, and Xalles Singapore. Pursuant to the Agreement, Xalles, ArrowVista, and Xalles Singapore will become wholly-owned subsidiaries of the Company in exchange for the issuance of certain shares. Xalles became a wholly-owned subsidiary by the issuance of 19,500,000 shares of common stock on July 16, 2015 (the "First Tranche"). Also, refer to Note 3. ArrowVista will become a wholly-owned subsidiary by the issuance of 4,500,000 shares of common stock on or before June 30, 2016. Xalles Singapore will become a wholly-owned subsidiary by the issuance of 2,250,000 shares of common stock on or before June 30, 2016. The consummation of the transactions set forth in the Agreement are subject to certain conditions, which have not yet been finalized under that agreement.

On July 1, 2015, prior to the closing of the First Tranche of the Agreement, ArrowVista transferred a note receivable and a license to Xalles in consideration of a note payable in the amount of $97,211. The amount owed is unsecured, non-interest bearing, and due on demand. Please refer to Note 7(d).

On August 19, 2015, the Company effected a 3-for-1 forward stock split of its common stock. All common share and per common share amounts in these consolidated financial statements have been retroactively restated to reflect the stock split.

During the period ended March 31, 2016, the Company received $33,146 in financing from the former shareholders of the Company pursuant to the share exchange agreement, which has been recorded as a contribution of capital under additional paid-in-capital.

On February 29, 2016, the Company closed an Asset Purchase Agreement dated July 14, 2015 and amended December 2, 2015 (the "Agreement") with Co-Owners Inc. ("Co-Owners"), a Florida corporation, and the shareholders of Co-Owners. Pursuant to the Agreement, the Company agreed to purchase certain assets and assume certain liabilities of Co-Owners and transfer these assets and liabilities to a newly incorporated company, named Co-Owners Rewards Inc. ("Subco"). In consideration, Subco will issue 2,200,000 shares of common stock to the Company and 2,330,000 shares of common stock to certain shareholders of Co-Owners. Since that agreement two subsequent transaction related to Co-Owners Rewards Inc. have been executed.

On November 9, 2017 the Company entered into an exchange agreement with its CEO to retire a Note held due to the CEO by Xalles Limited for $97,944.35 less $750 advanced from Xalles Holdings, and 2 Notes payable to third parties which will be paid by the CEO for $5,000 and $10,000 in principal respectively, in exchange for the shares in Co-Owners Rewards Inc. previously held by the Company.

On November 9, 2017, the Company issued 75,000,000 restricted common shares to an officer of the Company, as the sole shareholder of ArrowVista Corporation, of which 100% of its outstanding shares were acquired by the Company in a Share Purchase Agreement. The agreement includes a Note payable for $150,000 to the same shareholder.

As of December 31, 2017, the Company has 2 wholly owned subsidiaries, namely, Xalles Limited and ArrowVista Corporation.

The Company is engaged in the patent monetization business. The Company's principal operations will include the acquisition, licensing, and enforcement of patented technologies within the financial services technology industry ("Fintech"). The Company will develop portfolios from patents whose rights are obtained from third parties. The Company expects to generate revenues and related cash flows from the subsequent sale, licensing and enforcement of those patents.

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary debt or equity financing to continue operations, and the attainment of profitable operations. There is no guarantee that the Company will be successful in these efforts. As of December 31, 2017, the Company has not commenced its planned operations, has a working capital deficit of $1,072,718, and has accumulated losses of $1,283,056 since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These consolidated financial statements present the balance sheets, statements of operations, stockholders' deficit and cash flows of the Company. These financial statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States. The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a December 31 fiscal year end.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Xalles Limited. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates and Assumptions

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The results of operations and cash flows for the periods shown are not necessarily indicative of the results to be expected for the full year. The Company regularly evaluates estimates and assumptions related to valuation of license, stock-based compensation, and deferred income tax asset valuation allowances.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

License

The Company acquired a license from a company controlled by our CEO on July 1, 2015 amounting to $1,000. License has been capitalized in accordance with ASC 350-30 "Intangibles – Goodwill and Other – General Intangibles Other Than Goodwill." Amortization commenced on July 1, 2015 when the license was acquired and became ready for its intended use. Amortization is calculated on a straight-line basis over its estimated useful life of 15 years.

If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset, a loss is recognized for the excess of the carrying value over the fair value of the asset.

Financial Instruments and Fair Value Measures

ASC 820, "*Fair Value Measurements and Disclosures*" requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts payable and accrued liabilities, convertible debenture, stock-settled debt obligation, and amounts due to related parties. Pursuant to ASC 820, the fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements.

Stock-based Compensation

The Company records stock-based compensation in accordance with ASC 718 "Compensation – Stock Compensation" and ASC 505, "Equity Based Payments to Non-Employees", using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per Share

The Company computes net loss per share in accordance with ASC 260, "Earnings per Share", which requires presentation of both basic and diluted earnings per share ("EPS") on the face of the statements of operations. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

Comprehensive Loss

ASC 220, "Comprehensive Income", establishes standards for the reporting and display of comprehensive loss and its components in the consolidated financial statements. As at December 31, 2017 and 2016, the Company had no items representing comprehensive income or loss.

Income Taxes

A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

When required, the Company records a liability for unrecognized tax positions, defined as the aggregate tax effect of differences between positions taken on tax returns and the benefits recognized in the financial statements. Tax positions are measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. No tax benefits are recognized for positions that do not meet this threshold. The Company has no uncertain tax positions that require the Company to record a liability. The Company's tax years ended December 31, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017 remain subject to examination by Federal and state jurisdictions.

The Company recognizes penalties and interest associated with tax matters as part of the income tax provision and includes accrued interest and penalties with the related tax liability in the balance sheet. The Company had no accrued penalties and interest as of December 31, 2017 and 2016.

Recently Issued Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

(Expressed in US dollars)

NOTE 3 – ACQUISITIONS

On July 14, 2015, the Company entered into an Agreement with Xalles Limited ("Xalles"), a Delaware corporation, ArrowVista Corporation ("ArrowVista"), a Delaware corporation, Xalles Singapore Pte. Ltd. ("Xalles Singapore"), a Singapore corporation, and the shareholders of Xalles, ArrowVista, and Xalles Singapore. Pursuant to the Agreement, Xalles, ArrowVista, and Xalles Singapore will become wholly-owned subsidiaries of the Company in exchange for the issuance of certain shares. Xalles became a wholly-owned subsidiary by the issuance of 19,500,000 shares of common stock on July 16, 2015. ArrowVista will become a wholly-owned subsidiary by the issuance of 4,500,000 shares of common stock on or before June 30, 2016. Xalles Singapore will become a wholly-owned subsidiary by the issuance of 2,250,000 shares of common stock on or before June 30, 2016. The consummation of the transactions set forth in the Agreement are subject to certain conditions, which have not yet been finalized. The original shareholders of the Company agreed to fund $300,000 to support the current operations and continued development of the business. As of the date of the filing of these consolidated financial statements, only $33,146 has been received, as disclosed in Note 9(g).

The share purchase agreement was a capital transaction in substance and therefore has been accounted for as a reverse capitalization. Under reverse capitalization accounting, Xalles was considered the acquirer for accounting and financial reporting purposes, and acquired the assets and assumed the liabilities of the Company. Assets acquired and liabilities assumed are reported at their historical amounts. These consolidated financial statements include the accounts of the Company since the effective date of the recapitalization and the historical accounts of Xalles since inception.

On November 9, 2017, the Company entered into an Agreement with ArrowVista Corporation (“ArrowVista”) and the shareholders of ArrowVista. Pursuant to the Agreement, ArrowVista will become a wholly-owned subsidiary of the Company in exchange for the issuance of certain shares and a Note. ArrowVista became a wholly owned subsidiary when the Company issued 75,000,000 restricted common shares to an officer of the Company, as the sole shareholder of ArrowVista, of which 100% of its outstanding shares were acquired by the Company in the Share Purchase Agreement. The agreement includes a Note payable for $150,000 to the same shareholder. These consolidated financial statements include the accounts of ArrowVista as a wholly-owned subsidiary as if ArrowVista had been acquired as of January 1, 2017.

NOTE 4 – ADVANCES

As at December 31, 2017, the Company had reduced its amounts advanced to unrelated parties (2016 - $17,000). These amounts were unsecured, non-interest bearing and due on demand.

NOTE 5 – LICENSE

On July 1, 2015, the Company acquired the license from a company controlled by our CEO. The license was recorded at the historical cost incurred by the related party and amortized over its estimated useful life of 15 years. The following represents the carrying value of the license at December 31, 2017:

License	$	1,000
Accumulated depreciation		167
Carrying value as at December 31, 2017	$	833

NOTE 6 – CONVERTIBLE DEBENTURES

a) On August 28, 2015, in consideration for future consulting services, the Company issued a $60,000 convertible note which is unsecured, bears interest at 2% per annum and was due on November 28, 2015. The note is convertible into shares of common stock 90 days after the date of issuance (November 26, 2015) at a conversion rate of 60% of the average of the three lowest closing bid prices of the Company's common stock for the twenty trading days ending one trading day prior to the date the conversion notice is sent by the holder to the Company. If, at the time of conversion, the lowest trading prices during the applicable 20 trading day period is equal to or less than $0.0001, then the conversion price shall equal the lesser of the (1) variable conversion price or (2) $0.00001.

   In accordance with ASC 470-20, "Debt with Conversion and Other Options", the Company recognized the intrinsic value of the conversion feature of $40,000 as a stock-settled debt obligation and an equivalent discount which was charged to operations over the term of the convertible debenture from the effective date to the convertible date. During the year ended December 31, 2015, the Company accreted $40,000 of the debt discount which was recorded as interest expense. As of December 31, 2016, the carrying value of the debenture was $60,000 (2015 - $60,000). As of December 31, 2017, accrued interest of $2,512 (2016 - $1,614) has been recorded in accounts payable and accrued liabilities. As of October 23, 2017, the note was converted into 5,000,000 restricted shares.

b) On January 4, 2016, in consideration for future consulting services, the Company issued a $90,000 convertible note which is unsecured, bears interest at 6% per annum and was due on April 4, 2016. The note is convertible into shares of common stock 90 days after the date of issuance (April 3, 2016) at a conversion rate of 60% of the average of the three lowest closing bid prices of the Company's common stock for the twenty trading days ending one trading day prior to the date the conversion notice is sent by the holder to the Company. In no event shall the holder be entitled to convert the note resulting in ownership of more than 9.99% of the outstanding common shares of the Company.

   In accordance with ASC 470-20, "Debt with Conversion and Other Options", the Company recognized the intrinsic value of the conversion feature of $60,000 as a stock settled debt obligation and an equivalent discount which will be charged to operations over the term of the convertible debentures from the effective date to the first convertible date. As of December 31, 2017, the carrying value of the debenture was $90,000 (December 31, 2016 - $90,000). As of December 31, 2017, accrued interest was $10,885 (2016 - $5,356) and has been recorded in accrued liabilities. The management is in the process of extending the terms of this note. As of December 31, 2017, the Company continues to accrue interest at the interest rate of 6%. As of March 21, 2018, the note had been retired.

c) On July 4, 2016, in consideration for future consulting services, the Company issued a $90,000 convertible note which is unsecured, bears interest at 6% per annum and was due on October 4, 2016. The note is convertible into shares of common stock 90 days after the date of issuance (July 4, 2016) at a conversion rate of 60% of the average of the three lowest closing bid prices of the Company's common stock for the twenty trading days ending one trading day prior to the date the conversion notice is sent by the holder to the Company. In no event shall the holder be entitled to convert the note resulting in ownership of more than 9.99% of the outstanding common shares of the Company.

NOTE 6 – CONVERTIBLE DEBENTURES (continued)

In accordance with ASC 470-20, "Debt with Conversion and Other Options", the Company recognized the intrinsic value of the conversion feature of $60,000 as a stock settled debt obligation and an equivalent discount which will be charged to operations over the term of the convertible debentures from the effective date to the first convertible date. As of December 31, 2017, the carrying value of the debenture was $90,000 (December 31, 2016 - $90,000). As of December 31, 2017, accrued interest was $8,152 (2016 - $2,663) and has been recorded in accrued liabilities. The management is in the process of extending the terms of this note. As of December 31, 2016, the Company continues to accrue interest at the interest rate of 6%. As of March 21, 2018, the note had been retired.

d) On January 4, 2017, in consideration for future consulting services, the Company issued a $90,000 convertible note which is unsecured, bears interest at 6% per annum and was due on April 4, 2017. The note is convertible into shares of common stock 90 days after the date of issuance (April 4, 2017) at a conversion rate of 60% of the average of the three lowest closing bid prices of the Company's common stock for the twenty trading days ending one trading day prior to the date the conversion notice is sent by the holder to the Company. In no event shall the holder be entitled to convert the note resulting in ownership of more than 9.99% of the outstanding common shares of the Company.

In accordance with ASC 470-20, "Debt with Conversion and Other Options", the Company recognized the intrinsic value of the conversion feature of $60,000 as a stock settled debt obligation and an equivalent discount which will be charged to operations over the term of the convertible debentures from the effective date to the first convertible date. As of December 31, 2017, the carrying value of the debenture was $90,000 (December 31, 2016 - $90,000). The management is in the process of extending the terms of this note. As of December 31, 2017, the Company continues to accrue interest at the interest rate of 6%. As of December 31, 2017, accrued interest was $5,389 (December 31, 2016 - $nil) and has been recorded in accrued liabilities. As of March 21, 2018, the note had been retired.

NOTE 7 – RELATED PARTY TRANSACTIONS

a) On January 9, 2015, the Company entered into an agreement whereby a director of the Company paid $11,629 to service providers on behalf of the Company. The amount was recorded as additional paid-in-capital prior to the recapitalization.

b) As of December 31, 2017, the Company owed $54,040 (2016 - $52,230) to a former director of the Company. The amounts are unsecured, non-interest bearing and are due on demand.

c) As of December 31, 2017, the Company owed $150,375 (2016 - $nil) to the CEO of the Company. The amount is unsecured, non-interest bearing and is due on demand.

NOTE 8 – NOTES PAYABLE

a) On April 18, 2016, the Company issued a promissory note for $20,000. The amount owing is unsecured, and due 90 days from the date of receipt. The loan will commence to bear interest at 10% per annum beginning on the 91st day following the receipt of the principal. As at December 31, 2017, the Company accrued $2,960 (2016 - $904) in interest, which is included in accrued liabilities.

b) On May 11, 2016, the Company issued a promissory note for $10,000. The amount owing is unsecured, and is due on November 11, 2016. If the unpaid principal is not paid in full by the due date. Interest shall accrue on the unpaid balance at 10% per annum. As at December 31, 2017, the Company accrued $1,157 (2016 - $137) in interest, which is included in accrued liabilities. This note was exchanged through an agreement made on November 9, 2017.

c) On July 21, 2016, the Company issued a promissory note for $5,000, of which $1,000 was received. The amount owing is unsecured, and is due on January 21, 2017. If the unpaid principal is not paid in full by the due date. Interest shall accrue on the unpaid balance at 10% per annum. As at December 31, 2017, the Company accrued $96 (2016 - $nil) in interest, which is included in accrued liabilities. This note was exchanged through an agreement made on November 9, 2017.

d) On August 29, 2016, the Company issued a promissory note for $8,000. The amount owing is unsecured, and due 90 days from the date of receipt. The loan will commence to bear interest at 10% per annum beginning on the 91st day following the receipt of the principal. As at December 31, 2017, the Company accrued $883 (2016 - $68) in interest, which is included in accrued liabilities.

e) On October 21, 2016, the Company issued a promissory note for $40,000. The amount owing is unsecured, non-interest bearing and due six months from the issuance date. The principal balance of this note, together with accrued and unpaid interest shall be paid in one instalment. As at December 31, 2017, the Company accrued $1,332 (2016 - $nil) in interest, which is included in accrued liabilities. This Note was retired through a settlement agreement on October 26, 2017.

f) On October 21, 2016, the Company issued a promissory note for $5,000. The amount owing is unsecured, bears interest at 12% beginning on the first day following the receipt of the principal amount. The outstanding principal balance of this note shall be due and payable 30 days from the date of receipt. As at December 31, 2017, the Company accrued $680 (2016 - $66) in interest, which is included in accrued liabilities. This note was exchanged through an agreement made on November 9, 2017.

NOTE 9 – STOCKHOLDERS' DEFICIT

Authorized:

The Company is authorized to issue 500,000,000 shares of $0.0001 par value common stock and 5,000,000 shares of preferred stock, par value $0.001. All common stock shares have equal voting rights, are non-assessable and have one vote per share.

On August 3, 2015, the Company filed a Certificate of Designation of Series A Preferred Stock (the "Certificate of Designation") with the Nevada Secretary of State designating 1,000,000 of the Company's previously authorized preferred stock. The holders of the Series A Preferred Stock are granted 51% voting power on all matters to be voted on by the holders of the Company's common stock and is not convertible into any shares of the Company's common stock. With respect to rights on liquidation, dissolution or winding up, shares of Series A Preferred Stock rank on a parity with the Company's common stock.

On September 1, 2017, the Company filed a Certificate of Designation of Series B Preferred Stock (the "Certificate of Designation") with the Nevada Secretary of State designating 1,000,000 of the Company's previously authorized preferred stock. The holders of the Series B Preferred Stock are granted 25% voting power on all matters to be voted on by the holders of the Company's common stock and is not convertible into any shares of the Company's common stock. With respect to rights on liquidation, dissolution or winding up, shares of Series B Preferred Stock rank on a parity with the Company's common stock.

Issued and Outstanding:

a) On July 16, 2015, the Company issued 19,500,000 shares of common stock pursuant to the Share Exchange Agreement with Xalles Limited, a Delaware corporation, to effect the acquisition and reverse capitalization. Refer to Note 3.

b) On July 16, 2015, the Company cancelled 19,500,000 shares of common stock held by the former President of the Company.

c) On August 19, 2015, the Company effected a 3-for-1 forward stock split of its common stock. All common share and per common share amounts in these consolidated financial statements have been retroactively restated to reflect the stock split.

d) On October 7, 2015, the Company issued 1,000,000 shares of Series A preferred stock to the CEO of the Company and a former director of the Company. The issuance of the Series A preferred stock was made pursuant to the share exchange agreement, and recorded as contributed capital. Refer to Note 1.

e) On December 30, 2015, the Company issued 15,000 shares of common stock with a fair value of $15 to a consultant for services performed pursuant to an agreement dated August 28, 2015.

f) On December 30, 2015, a former director cancelled 500,000 shares of Series A preferred stock, which were reissued to a new director. The cancellation and re-issuance of the Series A Preferred Stock was made pursuant to the share exchange agreement, and recorded as contributed capital.

   As valuable consideration for services to be incurred, the Company also issued 100,000 shares of common stock to this director. As the amounts were for future services, no value was assigned to these shares of common stock.

g) On December 30, 2015, a former director cancelled 500,000 shares of Series A preferred stock, which were reissued to a new director.

h) On December 30, 2015, the Company issued 500,000 shares of Series A preferred stock to a new director of the Company. The issuance of the Series A Preferred Stock was made pursuant to the share exchange agreement, and recorded as contributed capital.

i) On December 30, 2015, as valuable consideration, the Company also issued 100,000 shares of common stock to this new director.

j) On January 4, 2017, in consideration for future consulting services, the Company issued a $90,000 convertible note which is unsecured, bears interest at 6% per annum and was due on April 4, 2017. The note is convertible into shares of common stock 90 days after the date of issuance (April 4, 2017) at a conversion rate of 60% of the average of the three lowest closing bid prices of the Company's common stock for the twenty trading days ending one trading day prior to the date the conversion notice is sent by the holder to the Company. In no event shall the holder be entitled to convert the note resulting in ownership of more than 9.99% of the outstanding common shares of the Company.

k) On October 20, 2017, the Company issues 1,000,000 Shares of Preferred Series B restricted shares to a third party, Jason Barrocas, as part of a note agreement.

l) As of October 23, 2017, the note of $60,000 was retired in exchange for issuing 5,000,000 restricted common shares.

m) As of October 23, 2017, the Company issued 100,000,000 restricted common shares to an officer of the Company in consideration of services performed.

n) As of October 26, 2017, the Company issued 225,000,000 common shares to a Note Holder as settlement of the Note Payable. The shares were initially placed in reserve.

o) As of November 9, 2017, the Company issued 75,000,000 restricted common shares to an officer of the Company, as the sole shareholder of ArrowVista Corporation, of which 100% of its outstanding shares were acquired by the Company in a Share Purchase Agreement.

p) As of November 9, 2017, the Company issued 500,000 restricted common shares to a service provider of the Company in exchange for Public Relations and Marketing services to be provided during part of 2017 and part of 2018.

q) As of November 10, 2017, the Company issued 300,000 restricted common shares to a service provider of the Company in exchange for retiring an Account Payable of $50,000.

r) As of November 10, 2017, the Company issued 20,000 restricted common shares to a Note Holder of the Company in exchange for interest due on the Note. The principal remains as an outstanding Note.

s) As of November 10, 2017, the Company issued 35,000 restricted common shares to a Note Holder of the Company in exchange for interest due on the Note. The principal remains as an outstanding Note.

t) As of December 6, 2017, the Company issued 300,000 restricted common shares to a service provider of the Company in exchange for retiring an Account Payable of $50,000.

NOTE 10 – CONFLICTS OF INTEREST

The officer and director of the Company is involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such person may face a conflict in selecting between the Company and his other business interests. The Company has not formulated a policy for the resolution of such conflicts.

(Expressed in US dollars)

NOTE 11 - INCOME TAXES

The Company is subject to income taxes at a combined rate of 35% (2016 – 35%). The reconciliation of the provision for income taxes at the combined statutory rate compared to the Company's income tax expense as reported is as follows:

	2017 $	2016 $
Income tax expense (recovery) at statutory rate	(94,351)	(188,575)
Permanent difference and other	20,969	42,000
Difference in tax rates between foreign jurisdictions	-	-
Change in valuation allowance	73,382	146,979
Provision for income taxes	–	–

The significant components of deferred income tax assets and liabilities as at December 31, 2017 and 2016, after applying enacted income tax rates, are as follows:

	2017 $	2016 $
Net operating losses carried forward	101,434	203,166
License	-	-
Valuation allowance	(101,434)	(203,166)
Net deferred income tax asset	–	–

The Company has net operating losses carried forward of $785,669 which may be carried forward to apply against future year taxable income, subject to the final determination by taxation authorities, expiring in the following years:

	$
2034	484
2035	156,468
2036	419,350
2037	209,367
	$785,669

NOTE 12 – SUBSEQUENT EVENTS

The Company's management has evaluated subsequent events up to May 10, 2018, the date the financial statements were issued, pursuant to the requirements of ASC 855 and has determined the following material subsequent events:

a) As of April 6, 2018, the Company designated 2,000,000 of the 5,000,000 authorized Preferred Shares of par value $0.001, as Series C Convertible Preferred Shares. Each Series C Preferred Share is convertible to 100 common shares and has the voting rights equivalent to the number of common shares that it converts to.

b) As of April 16, 2018, the Company issued 5,000,000 restricted common shares to a service provider of the Company in exchange for Advisory services to be provided during part of 2018, 2019 and part of 2020.

c) As of April 19, 2018, an officer of the Company cancelled 180,000,000 restricted common shares and concurrently the Company issued 1,400,000 Series C Preferred shares to the same officer.

d) As of April 20, 2018, the Company issued 20,000 Series C Preferred shares to the shareholder of BlockForge Inc., a Delaware C Corporation, acquired through a Share Purchase Agreement.

e) As of April 20, 2018, the Company issued 150,000 restricted common shares to a Note Holder of Co-Owners Rewards Inc., a Florida C Corporation, that the Company is negotiating a Share Purchase Agreement with.

f) As of April 26, 2018, the Company entered into a Share Purchase Agreement with Co-Owners Rewards Inc., a Florida C Corporation, which upon closing will become a wholly subsidiary of the Company and the Company will issue 157,950 Series C Preferred shares to the shareholders of Co-Owners Rewards Inc.

g) As of May 4, 2018, the creditor of the Company who was issued 225,000,000 common shares for the settlement of a Note agreed with the Company to reduce the number of shares placed in reserve by 160,000,000 shares.

Item 6. Describe the Issuer's Business, Products and Services

A. Description of the issuer's business operations

We are building a business development company specialized in the payment industry and financial technology ("Fintech").

Xalles supports government and business organizations, and consumers with payment consulting and system solutions. Xalles supports its own investee companies with the same strategic services plus direct investment and marketing and communications services.

Xalles has created a financial, technological and resource backbone to support the investee companies and external client projects. This backbone consists of senior payment solutions consultants and a proprietary system for the financial reconciliation and auditing of business and government payment transactions. Xalles also has a license to a patented payment card security solution.

We will continue to look for transactions that will add value and create synergy with our existing service offerings. We will continue fundraising efforts in 2018 and develop target projects that will attract a larger number of investors. The synergy involves new sources of revenue and market penetration into new market segments such as eProcurement and B2B payment systems.

We will continue to seek acquisitions for our target business areas within Fintech. Specific areas of interest are government and business payment solutions, including Blockchain-based financial reconciliation solutions and services.

We plan to expand our strategic partnerships beyond our existing business development and audit service relationships.

B. Date and State (or Jurisdiction) of Incorporation

The Company was incorporated on December 14, 2009 in the state of Nevada as Stella Blu, Inc., and renamed to Xalles Holdings Inc. on August 21, 2015.

C. The issuer's primary and secondary SIC Codes

The Company operates under the primary SIC Code of 6794.

D. The issuer's fiscal year end date

The fiscal year end is December 31.

E. Principal products or services, and their markets

Xalles offers consulting services in the payment and financial reconciliation solution marketplace. Xalles is also developing solutions to be applied to complex business and government financial transactions and payments.

Below are some of the relevant marketplaces we intend to compete in and their market sizing data.

Electronic Payments Market
The estimated number of noncash payments, excluding wire transfers, was 122.8 billion in 2012, with a value of $79.0 trillion. The number of noncash payments in the United States increased at a compound annual rate of 4.4 percent from 2009.

B2B eProcurement and eCommerce Market
According to recent research from Frost & Sullivan, Alibaba is a pioneer of B2B eCommerce with gross merchandise value of $27.28 billion, about 11 percent of their total; this dominant leadership position in a market expected to grow to $6.7 trillion in gross merchandise value by 2020. This trend will make the B2B eCommerce market two times bigger than the B2C market ($3.2 trillion) within that timeframe.

Item 7. Describe Describe the Issuer's Facilities

The company is currently seeking office space for the corporate operations. Currently the mailing address is 2020 Pennsylvania Ave. NW, #527, Washington DC 20006.

Item 8. Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons

Our bylaws allow the number of directors to be fixed by the Board of Directors. Our Board of Directors has fixed the number of directors at two.

Our current officers, directors and control persons as of May 10, 2018 are as follows:

Name	Age	Position	# of Shares as of May 10, 2018	% of Issued Shares in Class
Thomas W. Nash	52	Director, President, Chief Executive Officer, Chief Financial Officer, Secretary, Treasurer	14,500,000 Restricted Common 1,400,000 Preferred Series C	18.28% 98.59%
Mati Baumel	57	Director	100,000 Restricted Common 500,000 Preferred Series A	0.13% 50.00%
Jason Barrocas		Control Person	500,000 Preferred Series A 1,000,000 Preferred Series B	50.00% 100.00%
		All Officers, Directors and Control Persons Combined	Restricted Common Preferred Series A Preferred Series B Preferred Series C	18.41% 100.00% 100.00% 98.59%

The directors will serve as directors until our next shareholder meeting or until a successor is elected who accepts the position. Officers hold their positions at the will of the Board of Directors. There are no arrangements, agreements or understandings between non-management shareholders and management under which non-management shareholders may directly or indirectly participate in or influence the management of our affairs.

Thomas W. Nash, President, Chief Executive Officer, Chief Financial Officer, Secretary, Treasurer and Director

Thomas W. Nash has expertise is in the Financial Supply Chain and payment services. Mr. Nash has provided strategic business advice to more than 200 firms worldwide from small firms to large organizations such as U.S. Bank, MasterCard, and Citibank. He also led the implementation of financial systems deployment within the U.S. Government's Department of Defense and Department of Homeland Security. Mr. Nash has also advised the Governments of Brazil, China, Hungary, Romania, and others. Mr. Nash has helped launch successful startup ventures in the payment, eCommerce and IT fields.

From October 2014 to present, Mr. Nash has been a Director and Officer of Xalles Limited, a private company, now a wholly-owned subsidiary of the Company. From March 2003 to Present, Mr. Nash has been a Director and Officer of ArrowVista Corporation, a private company, now a wholly-owned subsidiary of the Company. From December 2012 to Present, Mr. Nash has been a Director of Genuine Metrics, Inc., a private company. From February 2008 to present, Mr. Nash has been a Director and Officer of Xalles Singapore Pte. Ltd., a private company. From June 2007 to October 2016, Mr. Nash has been a Director and Officer of Co-Owners Inc., a private company. From August 2015 to Present, Mr. Nash has been a Director and Officer of Co-Owners Rewards Inc., a private company. From July 2002 to December 2015, Mr. Nash has been a Director and Officer of Xalles Limited (Ireland), a private company. From September 1996 to Present, Mr. Nash has been a Director and Officer of Triumph Implementation Consulting Corporation, a private company

Mr. Nash does not currently serve on the boards of other public companies.

Mati Baumel, Director

Mr. Baumel is a Mathematician and Software Developer, Industrial Management Engineer who developed the Polymath NHE platform with a mission of leveraging Artificial Intelligence to innovate and improve the accuracy and efficiency of diagnoses in global healthcare.

In 2003, Mr. Baumel launched T&R International B.V in Amsterdam Netherlands, a programming and development firm focused on Video Motion Detection, Artificial Intelligence technologies and RFID tags and cards. Some of its projects include: Security systems in London airports, Copenhagen, Glasgow and many others. His technical consulting work continued with projects including Medical Performance under War platform for countries and for the World Health Organization on epidemic reaction on, "No Time to Lose" project. From 2003 to Present Mr. Baumel is the Inventor and Founder at T&R International B.V – Holland, a private company. From 2012 to Present, Mr. Baumel is the Inventor and Founder at New Health Era S.A- Switzerland, a private company.

Mr. Baumel does not currently serve on the boards of other public companies.

Jason Barrocas, Control Person

Preferred Series A and Preferred Series B shares were issued to Mr. Barrocas following an agreement related to a Promissory Note originally entered into on October 21, 2016. Mr. Barrocas and the Company's CEO, Thomas Nash entered into an agreement on March 1, 2018 providing the option for Thomas Nash to acquire the Preferred Shares held by Mr. Barrocas anytime before December 31, 2018 under the terms of the agreement.

B. Legal/Disciplinary History

Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   No

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   No

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

   No

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

   No

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Mati Baumel owns 50% of the Series A Preferred Shares as of May 10, 2018
400 Northridge Road
Atlanta GA 30350

Thomas Nash owns 18.28% of the outstanding common shares and 98.59% of the Series C Preferred Shares as of May 10, 2018
5260 14 Sideroad
Milton, Ontario L9E 0P7

Jason Barrocas owns 50% of the Series A Preferred Shares and 100% of the Series B Preferred Shares as of May 10, 2018.
503 East 12th Street, Apt 1
New York, NY 10009

Item 9. Third Party Providers

Legal Counsel

Name:	Faiyaz Dean
Firm:	Dean Law Corp.
Address:	601 Union St., Suite 4200, Seattle, WA 98101
Telephone:	206-274-4598
Email:	fdean@deanlawcorp.com
Website:	http://www.deanlawcorp.com

Accountant or Auditor

Name:	David Brooks
Firm:	D. Brooks and Associates CPA's, P.A.
Address:	319 Clematis Street, Suite 318, West Palm Beach, FL 33401
Telephone:	954-592-2507
Email:	david@dbrookscpa.com
Website:	www.dbrookscpa.com

Investor Relations Consultant

Name:	Teresa Misenheimer
Firm:	I-Business Management, LLC
Principal Address:	4223 Autumn Palm Drive Zephyrhills FL 33542
Telephone :	813-500-7332
Email:	teresa@i-businessmanagementllc.com
Website:	www.i-businessmanagementllc.com

Item 10. Issuer Certification

I, Thomas W. Nash certify that:

1. I have reviewed this Annual Report of Xalles Holdings Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: May 14, 2018

/s/Thomas W. Nash
Thomas W. Nash
CEO, CFO and Director