



## **Xalles Provides Information to Shareholder Questions**

**WASHINGTON, DC, February 6, 2024** - Xalles Holdings Inc. (OTC: XALL), today is publishing additional information in response to shareholder questions that were asked since our last quarterly filing.

**Q1: Has the enhanced business model and due diligence process that was announced resulted in delays or changes in decisions about acquisition deals in progress?**

**A1: The Enhanced Business Model is Designed to Mitigate Acquisition Risks**

Xalles Holdings is committed to refining our acquisition strategy to reduce the inherent risks associated with integrating early-stage, high-potential companies into our portfolio. Our enhanced business model, unveiled on January 29, 2024, is designed to better select companies exhibiting five critical attributes: a technology focus, competent management teams, products and services with significant growth potential, potential for recurring revenue streams, and synergy with existing Xalles entities. Additional due diligence steps throughout the process prior to executing agreements and prior to the closing event, assist the team in identifying and reducing potential risks. This strategic refinement ensures our continued growth and stability while maximizing shareholder value. The change in processes has slowed down some of the contracting steps as well as the time for closing a few of the deals. The net results are better quality deals which should yield positive results in 2024 and future years.

**Q2: Why has Xalles acquired some companies in which the original shareholders had only recently created corporations?**

**A2: C Corp Acquisition Policy and Strategy for U.S. Corporate Entities**

Addressing the curiosity regarding our acquisition of newly formed shell companies, it is important to clarify that after some experimentation in the earlier years, Xalles' strategy involves acquiring C corporations for U.S corporate entities versus LLC's or S Corps, with a few unusual exceptions for special situations. This policy simplifies accounting processes and ensures seamless integration into our portfolio. Many startups initially form as LLCs. A common practice with some of our acquired entities is to utilize the original LLC as a holding company for the original shareholders' capitalization in the ultimate exit proceeds from the Xalles RISE model. The LLC then forms a C Corp which then owns the IP, resources and operations of the original legacy business and it is the C Corp that Xalles acquires.

**Q3: Who is the President of Capital Innovations Management?**

**A3: Dr. John McCormick**

We reaffirm that Capital Innovations Management, LLC (CIM) is led by its President, Dr. John McCormick. This role is detailed in our quarterly filings on page 16 of the last 3 quarterly filings under "Item 4. Issuer's Business, Products and Services, B. List any subsidiaries, parent company, or affiliated companies." Dr. McCormick is also leading InnovationsHR, a sister company within the Xalles Health business group.

**Q4: What happens to XALL shares issued to the original shareholders of an acquired entity when the company is divested or when there is a change in strategy?**

**A4: Each Divested Company Transaction is Unique (and outlined below)**

In our continuous effort to optimize our portfolio, Xalles has divested or made inactive several companies in the past 5 years, resulting in the issuance of 111,000,000 shares to the original shareholders of the acquired entities. It's noteworthy that negotiations are ongoing with several of these entities, with most shares still restricted.

| Divested Entity       | Divestiture Description   | Issued XALL Shares |
|-----------------------|---|--------------------|
| BlockForge            | IP was rolled into Xalles Technology and then BlockForge was made inactive.   | 2,000,000          |
| VGR Technology        | Domestic staffing rolled into CIM and then VGR was divested since the entity was going to be used for international staffing that Xalles would not directly participate in. | 14,000,000         |
| Argus Technology      | The IT sales and resources were rolled into Xalles Technology and then ArgusRX was rolled out with Argus Technology.  | 30,000,000         |
| Vigor Crypto          | Xalles made the decision to divest the crypto trading operation. The issued XALL shares were purchased by the original Vigor shareholder.                                   | 20,000,000         |
| Intel365              | The parties decided not to pursue this venture. There are ongoing negotiations regarding the restricted shares previously issued.   | 20,000,000         |
| Loyalty Superstore    | The parties decided not to pursue this venture. There are ongoing negotiations regarding the restricted XALL shares previously issued.                                      | 25,000,000         |
| Private Loyalty Clubs | The parties decided not to pursue this venture. No XALL shares were issued.   | –                  |
| GioBot                | The parties decided not to pursue this joint venture for trading bots. No XALL shares were part of the agreement.   | –                  |
| MinervaWorks          | This acquisition was subsequently reversed. No XALL shares were part of that agreement.   | –                  |
|                       | <b>TOTAL</b>  | <b>111,000,000</b> |

**Q5: Will you share one of the locations where CashX has a kiosk implemented?**

**A5: Address, Video and Photos of the Flagship CashX Kiosk in Mexico are Listed Below**

In response to inquiries about our operational footprint, we are proud to highlight the flagship CashX kiosk located at Soriana Hiper, Blvd Independencia, Oriente 1100, 27000 Torreón, Coah, Mexico. This installation represents our commitment to expanding our service accessibility and enhancing our customer experience. For a closer look at this achievement, we invite you to view the local press coverage of the CashX launch at Soriana Hiper.

[CashX Kiosk in Mexico Video Link](#)



Xalles Holdings remains steadfast in our mission to identify, acquire, and nurture companies with the potential to disrupt the technology landscape, leveraging our strategic acquisitions and operational excellence to deliver long-term value to our shareholders and customers alike.

**About Xalles Holdings Inc. (OTC Pink: XALL)**

Xalles Holdings Inc. is a leading holding company, specializing in innovative technology and financial service solutions. Focused on growth and diversification, Xalles Holdings is committed to developing cutting-edge technology-based solutions across various sectors, with an emphasis on supporting disruptive companies. Utilizing its proprietary Xalles RISE Business Model (Roll In, Selected Exit), the company actively seeks acquisition targets with solid management teams, robust business models, expansive total attainable markets (TAM), and enticing exit opportunities. Emphasizing the integration of blockchain and cutting-edge technologies, Xalles provides industry-leading solutions, poised to capture recurring revenue streams over time. Discover more at [Xalles.com](https://Xalles.com).

**Forward-Looking Statements Disclaimer:**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In some cases, you can identify forward-looking statements by the following words: "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "should," "will," "would," or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. Forward-looking statements are not a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time the statements are made and involve known and unknown risks, uncertainty and other factors that may cause our results, levels of activity, performance, or achievements to be materially different from the information expressed or implied by the forward-looking statements in this press release. This press release should be considered in light of all filings of the Company that are contained in the Edgar Archives of the Securities and Exchange Commission at SEC.gov and in OTC Markets at OTCMarkets.com.

**Investor Relations Contact:**

[IR@xalles.com](mailto:IR@xalles.com)

IR: 202.779.1460

[Xalles.com](https://Xalles.com)