

# XALLES HOLDINGS INC.

A Nevada Corporation

2020 Pennsylvania Ave. NW, #527, Washington DC 20006

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202-595-1299

xalles.com

info@xalles.com

SIC Code 7389

## Quarterly Report

for the Three Months Ending March 31, 2024 (the "Reporting Period")

### Outstanding Shares

The number of shares outstanding of our Common Stock was:

1,812,685,075 as of August 9, 2024

1,516,321,698 as of December 31, 2023

### Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

### Change in Control

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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## **Forward-looking Statements**

This quarterly 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.

## 1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Xalles Holdings Inc.  
Stella Blu, Inc. from 2009 to 2015

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

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

EIN: 80-0524316

Xalles Holdings Inc. currently has a status of Active in the state of Nevada.

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

The following corporate structure was effective as of March 31, 2024:

The following active corporations are all 100% owned by Xalles Holdings Inc. unless otherwise stated.

- Xalles Capital Inc.
- Xalles Financial Services Inc.
- Xalles Technology Inc.
- Global Savings Network Inc. (under Xalles Financial Services Inc.)
- Gateway Innovations Limited (under Xalles Capital Inc.)
- AIGrowthHUB Inc. (under Xalles Technology Inc.)
- InnovationsHR, Inc. (under Xalles Financial Services Inc.)
- Capital Innovations Management, LLC (under Xalles Technology Inc.)
- Appy Perks, Inc. (under Xalles Financial Services Inc.)
- Xalles acquired an ownership stake in Adaptive Analytics, Inc. ("Adaptive") and completed the first closing event of the transaction for Xalles Technology Inc. to own 25% of Adaptive. An additional future closing event within a few months will complete the transaction for Adaptive to become a wholly owned subsidiary of Xalles Technology.
- Artemis Defense Technologies UK Ltd.
- CashXAI Inc. (under Xalles Financial Services Inc.)

The following corporate structure changes were made since March 31, 2024, and up to August 9, 2024:

None.

Address of the issuer's principal executive office:

2020 Pennsylvania Ave. NW., #527, Washington DC 20006

Address of the issuer's principal place of business:

☒ *Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒      Yes: ☐      If Yes, provide additional details below:

## 2) Security Information

### **Transfer Agent**

Name: VStock Transfer LLC  
Phone: 212-828-8436  
Email: [info@vstocktransfer.com](mailto:info@vstocktransfer.com)  
Address: 18 Lafayette Place, Woodmere, NY 11598

### **Publicly Quoted or Traded Securities:**

Trading Symbol: XALL  
Exact Title and class of securities: Xalles Holdings Common Shares  
CUSIP: 98388D107  
Par Value: \$0.0001  
Total shares authorized: 5,000,000,000 as of Aug 9, 2024  
Total shares outstanding: 1,812,685,075 as of Aug 9, 2024  
Total number of shareholders of record: 159 as of Aug 9, 2024

### **Other classes of authorized or outstanding equity securities that do not have a trading symbol:**

Exact title and class of the security: Preferred Shares, Series A  
Par or stated value: \$0.001  
Total shares authorized: 1,000,000 as of Aug 9, 2024  
Total shares outstanding: 1,000,000 as of Aug 9, 2024  
Total number of shareholders of record: 2 as of Aug 9, 2024

Exact title and class of the security: Preferred Shares, Series B  
Par or stated value: \$0.001  
Total shares authorized: 1,000,000 as of Aug 9, 2024  
Total shares outstanding: 1,000,000 as of Aug 9, 2024  
Total number of shareholders of record: 1 as of Aug 9, 2024

Exact title and class of the security: Preferred Shares, Series C  
Par or stated value: \$0.001  
Total shares authorized: 2,000,000 as of Aug 9, 2024  
Total shares outstanding: 0 as of Aug 9, 2024  
Total number of shareholders of record: 0 as of Aug 9, 2024

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**Security Description:**

**1. For common equity, describe any dividend, voting and preemption rights.**

Each Common share has an equal right for dividends and voting rights. Since the Preferred Series A and Preferred Series B voting rights total 76%, and there are no outstanding Preferred Series C shares, then the outstanding common shares collectively comprise a 24% voting bloc.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

Preferred Series A shares have 51% voting rights only, no dividend rights, and no conversion or special liquidation or redemption rights.

Preferred Series B shares have 25% voting rights only, no dividend rights, and no conversion or special liquidation or redemption rights.

Preferred Series C shares have a shareholder conversion option in the ratio of 1 Preferred Series C share converting to 100 XALL Common shares. The voting rights of the Preferred Series C shares are the same as if the shares have already been converted to common shares. There are no dividend rights, or other special rights until converted to common shares and then they will have the same rights as any other XALL Common Shares.

**3. Describe any other material rights of common or preferred stockholders.**

None

**4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

### 3) Issuance History

#### A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding <u>Opening Balance</u> :									
Date: Jan 1, 2022    Common: 1,172,751,609									
Preferred A: 1,000,000									
Preferred B: 1,000,000									
Preferred C: 0									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to.  ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
December 12, 2022	New issuance	35,000,000	Common	\$0.0033	No	Jaydeep Shah	Note compensation	Restricted	4(a)(2)
January 10, 2023	New issuance	117,777,778	Common	\$0.0009	Yes	Trillium Partners LP (Note 1)	Note conversion	Restricted	4(a)(2)
February 4, 2023	New issuance	5,000,000	Common	\$0.002	Yes	Grand Sky Holdings LLC (Note 2)	Cash Purchase	Restricted	4(a)(2)
February 5, 2023	New issuance	10,000,000	Common	\$0.003	Yes	Grand Sky Holdings LLC (Note 2)	Services compensation	Restricted	4(a)(2)
February 22, 2023	New issuance	30,000,000	Common	\$0.006	No	Pacific Capital Holdings, LLC (Note 3)	Services compensation	Restricted	4(a)(2)
June 13, 2023	New issuance	40,000,000	Common	\$0.0055	No	Jeff Goins	Adaptive Acquisition agreement	Restricted	4(a)(2)
June 21, 2023	New issuance	25,000,000	Common	\$0.0055	No	Martin Berns	Loyalty Superstore Acquisition agreement	Restricted	4(a)(2)
August 24, 2023	New issuance	6,000,000	Common	\$0.0003	Yes	G.J.T. Holdings LLC (note 4)	Debt conversion shares	Unrestricted	3(a)10



							transferred from reserve account		
November 6, 2023	New issuance	74,792,311	Common	\$0.0009	Yes	Trillium Partners, LP (Note 1)	Note conversion	Restricted	4(a)(2)
January 29, 2024	New issuance	75,452,369	Common	\$0.0006	Yes	Trillium Partners, LP (Note 1)	Note conversion	Restricted	4(a)(2)
March 1, 2024	New issuance	72,926,917	Common	\$0.0006	Yes	Trillium Partners, LP (Note 1)	Note conversion	Restricted	4(a)(2)
March 15, 2024	New issuance	10,000,000	Common	\$0.001	Yes	Steve Salzer	Share purchase	Restricted	4(a)(2)
March 15, 2024	New issuance	5,000,000	Common	\$0.002	No	Thomas Nash	Services agreement	Restricted	4(a)(2)
March 15, 2024	New issuance	5,000,000	Common	\$0.002	No	Pau Erickson	Services agreement	Restricted	4(a)(2)
March 15, 2024	New issuance	5,000,000	Common	\$0.002	No	Steve Salzer	Services agreement	Restricted	4(a)(2)
March 15, 2024	New issuance	2,500,000	Common	\$0.001	Yes	Michael Schwartz	Share purchase	Restricted	4(a)(2)
March 28, 2024	New issuance	25,000,000	Common	\$0.0006	No	InnovationsHR Holding, LLC (Note 5)	Acquisition shares	Restricted	4(a)(2)
March 28, 2024	New issuance	25,000,000	Common	\$0.0006	No	JKS Consultant Group, LLC (Note 6)	Acquisition shares	Restricted	4(a)(2)
Shares Outstanding <u>Ending Balance</u> :									
Date: Mar 31, 2024    Common: 1,742,200,984									
Preferred A: 1,000,000									
Preferred B: 1,000,000									
Preferred C: 0									

**Notes:**

1. Stephen Hicks has voting and investment control over Trillium Partners, LP.
  2. Jason Mandel has voting and investment control over Grand Sky Holdings LLC.
  3. Zach Logan has voting and investment control over Pacific Capital Holdings, LLC.
  4. Gary Harris has voting and investment control over G.J.T. Holdings LLC.
  5. Dr. John McCormick has voting and investment control over InnovationsHR Holding, LLC.
  6. Dr. John McCormick has voting and investment control over JKS Consultant Group, LLC.
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## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
September 4, 2019	30,000	30,000	0 (note 1)	March 4, 2020	Note due in earlier of 6 months, or within 60 days of a qualification event of a registered security offering. If the note is not repaid before the due date then the principal is convertible to common shares at a 50% discount to the market price.	Continuation Capital, Inc. (note 2)	Loan
March 11, 2021	60,000	60,000	0	June 9, 2021	Note due in 90 days. 1,000,000 common restricted shares issued in lieu of interest in first 90 days. 10% interest will accrue starting on day 91.	LYCM Capital, LLC (note 3)	Loan
June 11, 2021	500,000	500,000	0	March 31, 2022	Note due in 120 days. An additional 12,500,000 common restricted shares issued in lieu of interest. 7% monthly penalty upon default. 75,000,000 shares held in a reserve account as collateral for the loan. Note replaces February 11, 2021 and February 24, 2021 notes. Note amended to change due date to March 31, 2022 and issuance of 25,000,000 restricted shares.	Jaydeep Shah	Loan
June 15, 2021	250,000	250,000	0	March 31, 2022	\$25,000 monthly fee until September 30, 2021 due date. 50,000,000 shares held in a reserve account as collateral for the loan. Note amended to change due date to March 31, 2022.	Jaydeep Shah	Loan
September 23, 2021	25,000	25,000	0	January 21, 2022	Convertible note accruing interest at a rate of 12% per annum. It is convertible after 120 days from the date of the agreement at a	Stout, LLC (note 4)	Legal Services

					50% discount to the lowest of the previous 30 days share price.		
October 5, 2021	0	110,000	0	October 5, 2022	Convertible note accruing interest at a rate of 12% per annum. It is convertible after 6 months from the date of the agreement at \$0.002 per share or 50% discount to the lowest of the previous 10 days share price.	Trillium Partners, L.P. (note 5)	Loan
October 19, 2022	24,000	24,000	0	October 19, 2023	Convertible note accruing interest at a rate of 12% per annum. It is convertible after 120 days from the date of the agreement at a 50% discount to the lowest of the previous 30 days share price.	Stout, LLC (note 4)	Legal Services
November 18, 2022	52,160	90,000	0	November 18, 2023	Note accruing interest at a rate of 12% per annum. Repayment in 10 monthly payments throughout 2023.	Janbella Group, LLC (note 6)	Loan
February 16, 2024	95,150	120,750	0	November 30, 2024	Note with built in \$15,750 discount. Repayment in 9 monthly payments until Nov 30, 2024.	1800 Diagonal Lending LLC (note 7)	Loan

**Notes:**

1. On September 4, 2019, the Company issued a \$30,000 note which is unsecured, due on March 4, 2020 and provides convertibility to the noteholder of common shares at a 50% discount to the market price if the note is not repaid in full on or before the due date.
2. Charles Cleland has voting and investment control over Continuation Capital, Inc.
3. Richard Lee has voting and investment control over LYCM Capital, LLC
4. Matthew Stout has voting and investment control over Stout, LLC.
5. Stephen Hicks has voting and investment control over Trillium Partners, L.P.
6. William Alessi has voting and investment control over Janbella Group, LLC
7. Curt Kramer has voting and investment control over 1800 Diagonal Lending LLC

#### 4) Issuer's Business, Products and Services

##### A. Summarize the issuer's business operations

Xalles Holdings Inc. is a 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.

The vision is to provide solutions and services to support government, business and consumer customers globally through the Xalles subsidiaries.

Xalles has created a financial, technological and resource backbone to support the subsidiary operating companies and external client projects. This backbone consists of a management team with technology experience and a proprietary system ("X2X") for financial reconciliation and auditing of business and government payment transactions. Xalles also has a license to a patented payment card security solution.

Xalles will continue to seek technology-related acquisitions. Specific areas of interest are consumer, government and business solutions, including Blockchain-based financial reconciliation solutions and services. 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 2024 and develop target projects that will attract a larger number of investors. Xalles also plans to expand our strategic partnerships beyond our existing business development relationships.

##### B. List any subsidiaries, parent company, or affiliated companies.

All subsidiaries are wholly owned active subsidiaries (unless stated otherwise) of Xalles as of August 9, 2024.

<b>Subsidiary</b>	<b>Description</b>	<b>Officers</b>	<b>Directors</b>
Xalles Capital Inc.	Management of assets and operates Xalles Studio and Xalles Advisors	Bob Trevelyan, President	Thomas Nash
Xalles Technology Inc.	Technical development of the X2X Blockchain systems	Thomas Nash, President	Thomas Nash
Xalles Financial Services Inc.	Management of payment and other financial services solutions	Thomas Nash, President	Thomas Nash
Global Savings Network Inc.	Fundraising program for non-profit organizations and merchant discount program	Terry Mowery, President Marc Dozier, VP	Thomas Nash
Gateway Innovations Limited	Management and ownership of the	Yaw Owusu, President	Yaw Owusu Thomas Nash

	Ghana Cyber City project		
AlGrowthHUB Inc.	AI-based customer acquisition solutions	Joshua Harris, President	Joshua Harris
InnovationsHR, Inc.	PEO for Healthcare	Dr. John McCormick, President	Dr. John McCormick
Capital Innovations Management, LLC	Staffing and management company	Dr. John McCormick, President	Dr. John McCormick
Appy Perks, Inc.	Gamification of consumer shopping	David Avne, President	David Avne
Adaptive Analytics, Inc. (25% ownership position)	AI and Data Governance platform	J.C. Goins, President	J.C. Goins
Artemis Defense Technologies UK Ltd.	Uncrewed aircraft and related technology	Carl Cagliarini, President	Carl Cagliarini
CashXAI Inc.	Financial services kiosks and mobile app	Stephen Combe, President	Stephen Combe

C. Describe the issuers' principal products or services.

Each Xalles subsidiary and business unit offers a variety of technology-based services to their respective target markets as summarized below:

<b>Subsidiary or Business Unit</b>	<b>Description of Products and Services</b>
Xalles Studio	Technology Incubator for early staged technology-based companies
Xalles Advisors	Technology Accelerator Program for technology-based companies to establish an effective business roadmap
Xalles Financial Services Inc.	Management of payment and other financial services solutions, like the Xalles proprietary X2X platform
Global Savings Network Inc.	Fundraising program for non-profit organizations and merchant discount program for consumers of local merchants and in person shopping
Gateway Innovations Limited	Management and ownership of the Ghana Cyber City project
AlGrowthHUB Inc.	AI-based lead generation and customer acquisition solutions
InnovationsHR, Inc.	PEO for healthcare and benefits (utilizes Ovation Health)
Capital Innovations Management, LLC	Staffing and management company
Appy Perks, Inc.	Gamification of consumer shopping experience to support local merchants
Adaptive Analytics, Inc.	AI and Data Governance platform
Artemis Defense Technologies UK Ltd.	Specialized uncrewed aircraft (drones) and related technology for defense and civilian safety and security applications
CashXAI Inc.	Financial services kiosks and mobile application for the unbanked and underbanked consumers

**5) 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. The company does not own any office space, buildings, real estate or other physical facilities.

## 6) 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 current number of directors at three.

Our current officers, directors and control persons as of August 9, 2024 are as follows:

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Thomas W. Nash	Director, President, Chief Executive Officer, Chief Financial Officer, Secretary, Treasurer, Xalles Holdings Inc.	Milton, ON	196,400,000	Common	10.84%	
			500,000	Preferred Series A	50.00%	
			1,000,000	Preferred Series B	100.00%	
Paul W. Erickson	Director, Xalles Holdings Inc.	Toronto, ON	12,200,000	Common	0.67%	
Steven Salzer	Director, Xalles Holdings Inc.	Tampa, FL	15,000,000	Common	0.83%	
Mati Baumel	Owner of more than 5% of a share class	Atlanta, GA	100,000	Common	0.006%	
			500,000	Preferred Series A	50.00%	
Jaydeep Shah	Owner of more than 5% of a share class	Houston TX	91,200,000	Common	5.03%	

## 7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of 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, financial- or investment-related, insurance or banking activities;

None

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

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject 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.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

1. On August 3, 2023, (docket NO: 23-02-02241), the Plaintiff, InnovationsHR, Inc. (an Xalles subsidiary) was awarded a default judgement against the defendant, Taurean Keith Logan and 3/21 Acquisitions Co, LLC for \$500,000.00 (plus attorney's fees and court costs) in the District Court of Montgomery County, TX, 457<sup>th</sup> Judicial District.



2. On April 21, 2024, (docket NO: 24-01-00253), the Plaintiff, InnovationsHR, Inc. (an Xalles subsidiary) was awarded a default judgement against the defendant, Meranti Holdings, Inc. for \$500,000.00 (plus attorney's fees and court costs) in the District Court of Montgomery County, TX, 284<sup>th</sup> Judicial District.

## **8) Third Party Service Providers**

### Securities Counsel

Name: Morgan E. Petitti, Esq.  
Firm:  
Address 1: 118 W. Streetsboro Street, #317  
Address 2: Hudson, Ohio 44236  
Telephone: 330-697-8548  
Email: PetittiLaw@gmail.com

### *All other means of Investor Communication:*

X (Twitter): <https://twitter.com/xalles1>  
LinkedIn: <https://www.linkedin.com/company/xalles-limited>  
YouTube: <https://www.youtube.com/@XallesHoldings>

### Other Service Providers

Provide the name of any other service provider(s) that that assisted, advised, prepared, or provided information with respect to this disclosure statement. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

None

## 9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Thomas Nash  
Title: CEO/CFO  
Relationship to Issuer: Director and Officer

B. The following financial statements were prepared in accordance with:

- ☐ IFRS  
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Thomas Nash  
Title: CEO/CFO  
Relationship to Issuer: Director and Officer

Describe the qualifications of the person or persons who prepared the financial statements:

28 years of experience preparing financial statements for private and public companies. Intimate knowledge of the business in the roles of CEO and CFO. University graduate in engineering and management programs, including successful completion of multiple finance and accounting courses.

The following unaudited financial statements are filed under Appendices A through D, and the unaudited notes to the unaudited financial statements are filed under Appendix E, which are included as part of this Disclosure:

Unaudited Condensed Financial Statements contained herein:

Appendix A: Unaudited Balance Sheets as of March 31, 2024 and December 31, 2023

Appendix B: Unaudited Statements of Operations for the three months ended March 31, 2024 and March 31, 2023

Appendix C: Unaudited Statements of Stockholders' Equity for the three months ended March 31, 2024 and twelve months ending December 31, 2023

Appendix D: Unaudited Statements of Cash Flows for the three months ended March 31, 2024 and March 31, 2023

Appendix E: Unaudited Notes to Unaudited Financial Statements

## 10) Issuer Certification

*Principal Executive Officer:*

I, Thomas W. Nash certify that:

1. I have reviewed this Disclosure Statement for 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: August 13, 2024

/s/Thomas W. Nash

Thomas W. Nash  
CEO, Xalles Holdings Inc.

*Principal Financial Officer:*

I, Thomas W. Nash certify that:

1. I have reviewed this Disclosure Statement for 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: August 13, 2024

/s/Thomas W. Nash

Thomas W. Nash  
CFO, Xalles Holdings Inc.

**XALLES HOLDINGS INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2024**  
**(Expressed in US dollars)**  
**(Unaudited)**

Appendix A: Consolidated Balance Sheets

Appendix B: Consolidated Statements of Operations

Appendix C: Consolidated Statement of Changes in Stockholders' Deficit

Appendix D: Consolidated Statements of Cash Flows

Appendix E: Notes to Consolidated Financial Statements

**XALLES HOLDINGS INC.**  
**APPENDIX A: CONSOLIDATED BALANCE SHEETS**  
(Expressed in US dollars)  
(Unaudited)

	As of March 31, 2024	As of December 31, 2023
<b>ASSETS</b>		
Cash	\$ 106,859	\$ 255,513
Advances (Note 4)	0	0
Other Current assets	4,376,118	4,055,161
<b>Total Current Assets</b>	<b>4,482,977</b>	<b>4,310,674</b>
Investments	728,443	728,443
Licenses (Note 5)	416	433
Prepaid Expenses	17,100	17,100
<b>Total Assets</b>	<b>\$ 5,228,936</b>	<b>5,056,650</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 77,613	\$ 58,545
Accrued liabilities (Note 6)	8,972	8,972
Notes payable (Note 8)	2,135,460	2,115,895
<b>Total Current Liabilities</b>	<b>2,222,045</b>	<b>2,183,412</b>
Stock-settled debt obligation	100,000	100,000
Loan payable	11,793	11,793
Due to related parties (Note 7)	149,864	140,914
<b>TOTAL LIABILITIES</b>	<b>\$ 2,483,702</b>	<b>2,436,119</b>
<b>STOCKHOLDERS' DEFICIT</b>		
Capital Stock		
Preferred Stock, 5,000,000 shares authorized, par value \$0.001, Preferred Series A 1,000,000 shares designated, 1,000,000 shares issued and outstanding as of March 31, 2024 (December 31, 2023: 1,000,000)	1,000	1,000
Preferred Series B 1,000,000 shares designated, 1,000,000 shares issued and outstanding as of March 31, 2024 (December 31, 2023: 1,000,000)	1,000	1,000
Preferred Series C 2,000,000 shares designated, 0 shares issued and outstanding as of March 31, 2024 (December 31, 2023: 0)	0	0
Common stock, 5,000,000,000 shares authorized, par value \$0.0001, 1,742,200,984 shares issued and outstanding as of March 31, 2024 (December 31, 2023: 1,516,321,698)	174,220	151,632
Additional paid-in capital	128,308	128,308
Accumulated surplus/(deficit)	2,440,706	2,338,591
<b>TOTAL STOCKHOLDERS' EQUITY/(DEFICIT)</b>	<b>2,745,234</b>	<b>2,620,531</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)</b>	<b>\$ 5,228,936</b>	<b>\$ 5,056,650</b>
Subsequent events (Note 11)		

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

**XALLES HOLDINGS INC.**  
**APPENDIX B: CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Expressed in US dollars)  
(Unaudited)

	Three months ended March 31, 2024	Three months ended March 31, 2023
<b>REVENUE</b>	\$ 5,484,231	\$ 3,878,002
<b>EXPENSES</b>		
Cost of Goods Sold	0	0
General and administrative	1,301,842	513,201
Amortization	17	17
Consulting/Contractor fees	3,996,225	2,667,992
Professional fees	11,125	5,393
Sales Tax	0	0
<b>Total operating expenses</b>	<b>5,309,209</b>	<b>3,186,603</b>
<b>Net Income before other Income &amp; (Expenses)</b>	<b>175,022</b>	<b>691,399</b>
Other Income/(Expense)		
Interest earned	0	0
Other income/(loss)	0	0
Interest expense	(72,907)	(43,974)
<b>Net Income/(Loss)</b>	<b>\$ 102,115</b>	<b>\$ 647,425</b>
<b>BASIC AND DILUTED INCOME/(LOSS) PER COMMON SHARE</b>	<b>\$ 0.00006</b>	<b>\$ 0.00047</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>1,742,200,984</b>	<b>1,370,529,387</b>

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

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

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Surplus/ (Deficit)	Total
	Shares	Amount	Shares	Amount			
<b>Balance as of December 31, 2021</b>	<b>2,000,000</b>	<b>\$ 2,000</b>	<b>1,172,751,609</b>	<b>\$ 117,275</b>	<b>\$ 108,683</b>	<b>(1,531,078)</b>	<b>\$ (1,303,120)</b>
Acquisitions Open Equity & R/E Paid in Capital					(375)		(375)
Share Issuances/cancellations/conversions	–	–	35,000,000	3,500			3,500
Net income for the year ended 12/31/22	–	–	–	–	–	1,079,712	1,079,712
<b>Balance as of December 31, 2022</b>	<b>2,000,000</b>	<b>\$ 2,000</b>	<b>1,207,751,609</b>	<b>\$ 120,775</b>	<b>\$ 108,308</b>	<b>(451,366)</b>	<b>\$ (220,283)</b>
Acquisitions Open Equity & R/E Paid in Capital					20,000		20,000
Share Issuances/cancellations/conversions	–	–	308,570,089	30,857			30,857
Net income for the year ended 12/31/23	–	–	–	–	–	2,789,958	2,789,958
<b>Balance as of December 31, 2023</b>	<b>2,000,000</b>	<b>\$ 2,000</b>	<b>1,516,321,698</b>	<b>\$ 151,632</b>	<b>\$ 128,308</b>	<b>2,338,592</b>	<b>\$ 2,620,532</b>
Acquisitions Open Equity & R/E Paid in Capital							
Share Issuances/cancellations/conversions	–	–	225,879,286	22,588			22,588
Net income for the quarter ended 03/31/24	–	–	–	–	–	102,115	102,115
<b>Balance as of March 31, 2024</b>	<b>2,000,000</b>	<b>\$ 2,000</b>	<b>1,742,200,984</b>	<b>\$ 174,220</b>	<b>\$ 128,308</b>	<b>2,440,706</b>	<b>\$ 2,745,234</b>

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

**XALLES HOLDINGS INC.**  
**APPENDIX D: CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in US dollars)

	Three Months ended March 31, 2024	Three Months ended March 31, 2023
<b>OPERATING ACTIVITIES</b>		
Net income/(loss)	\$ 102,115	\$ 647,425
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of license	17	17
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	19,068	40,873
Accounts receivable and other current assets	(320,957)	(546,151)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(199,757)</b>	<b>142,164</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from related parties	8,950	(15,986)
Contributions from shareholders	22,588	26,278
Proceeds from loan payable	0	0
Net Proceeds from notes payable	19,565	(132,111)
Investments	0	0
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>51,103</b>	<b>(121,819)</b>
<b>NET CHANGE IN CASH</b>	<b>(148,654)</b>	<b>20,345</b>
<b>CASH, BEGINNING OF PERIOD</b>	255,513	231,903
<b>CASH, END OF PERIOD</b>	<b>\$ 106,859</b>	<b>\$ 252,248</b>

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



**XALLES HOLDINGS INC.**  
**APPENDIX E: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2024**  
**(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.

As of March 31, 2024, the Company had the following wholly owned active subsidiaries, namely, Xalles Capital Inc., Gateway Innovations Limited, Xalles Financial Services Inc., Global Savings Network Inc., Appy Perks, Inc., Xalles Technology Inc., AIGrowthHub Inc., InnovationsHR, Inc., Capital Innovations Management, LLC, Artemis Defense Technologies UK Ltd., CashXAI Inc. and a 25% stake in Adaptive Analytics, Inc.

Xalles Holdings Inc. is a 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.

The Company expects to generate revenues and related cash flows from the sale of products and services from its operating entities. The goal is to sell or spin out some of the operating companies when they are deemed ready.

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 March 31, 2024, the Company has a working capital surplus of \$2,745,234, and has accumulated gains of \$2,440,706 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 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

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 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.

### **Earnings/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 March 31, 2024 and December 31, 2023, 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, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 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 March 31, 2024 and as of December 31, 2023.

### **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.

### **NOTE 3 – ACQUISITIONS**

AlGrowthHub Inc. was acquired on July 31, 2022, in exchange for restricted shares of common stock. The transaction was completed and AlGrowthHub is now a 100% wholly owned subsidiary of Xalles.

Private Loyalty Club Inc. (“PLC”) was acquired on July 31, 2022, in exchange for restricted shares of common stock. The transaction was completed, and PLC was a 100% wholly owned subsidiary of Xalles Financial Services Inc. In January of 2023, PLC was sold and is no longer a subsidiary of Xalles.

Loyalty Superstore, Inc. (“LSS”) was acquired on March 30, 2023, in exchange for restricted shares of common stock. The transaction was completed and LSS is a 100% wholly owned subsidiary of Xalles Financial Services Inc. The transaction was subsequently terminated, and this entity is no longer a subsidiary of Xalles.

Appy Perks, Inc. was acquired in April of 2023, in exchange for restricted shares of common stock. The transaction was completed, and Appy Perks is a 100% wholly owned subsidiary of Xalles.

Patient Healthcare Solutions, Inc. (“PHCS”) was acquired in April of 2023, in exchange for restricted shares of common stock. The transaction was completed and PHCS is a 100% wholly owned subsidiary of Xalles Financial Services Inc. There was a subsequent exit event, and this entity is no longer a subsidiary of Xalles.

Xalles acquired an ownership stake in Adaptive Analytics, Inc. (“Adaptive”) in April of 2023 and completed the first closing event of the transaction for Xalles Technology Inc. to own 25% of Adaptive. An additional future closing event within a few months will complete the transaction for Adaptive to become a wholly owned subsidiary of Xalles Technology, based on financing to support the second closing event.

Artemis Defense Technologies UK Ltd. (“Artemis”) was acquired in December of 2023, in exchange for restricted shares of common stock. The transaction was completed, and Artemis is a 100% wholly owned subsidiary of Xalles.

As of January 5, 2024, the Company initiated the incorporation of ArtemisX Defense Inc., a Florida C Corporation for the purposes of expanding the business development and operational reach for Artemis Defense Technologies into the US.

As of January 14, 2024, the Company divested itself of ArtemisX Defense Inc. to SwetSpot LLC, a specialized government contractor in exchange for a profit-sharing plan.

As of January 15, 2024, the Company completed the acquisition of CashXAI Inc. in exchange for restricted common shares for CashXAI to become a wholly owned subsidiary of Xalles.

### **NOTE 4 – ADVANCES**

As at March 31, 2024, the Company had amounts advanced to unrelated parties of \$17,000 (December 31, 2023 - \$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 at the time 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 March 31, 2024:

License	\$	1,000
Accumulated depreciation		584
Carrying value as at March 31, 2024	\$	416

#### **NOTE 6 – ACCRUED LIABILITIES**

No new ones added during this period.

#### **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 March 31, 2024, the Company owed \$54,040 (December 31, 2023 - \$54,040) to a former director of the Company. The amounts are unsecured, non-interest bearing and are due on demand.
- c) As of March 31, 2024, the Company owed \$95,824 (December 31, 2023 - \$86,874) to the CEO of the Company. The amount is unsecured, non-interest bearing and is due on demand.

#### **NOTE 8 – NOTES PAYABLE**

- a) On September 4, 2019, in consideration for cash, the Company issued a \$30,000 convertible note which is unsecured, and bears interest. The Note is due in the earlier of 6 months, or within 60 days of a qualification event of a registered security offering. If the Note is not repaid before the due date then the principal is convertible to common shares at a 50% discount to the market price. 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. This Note has currently not been repaid and is part of Notes Payable in the financial statements.
- b) On March 11, 2021, The Company issued a promissory note for \$60,000. The amount owing is unsecured, due in 90 days, which will accrue at 10% interest per annum starting on day 91. 1,000,000 common restricted shares issued in lieu of interest in first 90 days.
- c) On June 11, 2021, The Company issued a promissory note for \$500,000. The amount owing is unsecured, due in 120 days. This Note replaces the notes of February 11, 2021 and February 24, 2021.
- d) On June 15, 2021, The Company issued a promissory note for \$250,000. The amount owing is unsecured, due on September 30, 2021, with a \$25,000 monthly fee until the due date.
- e) On September 23, 2021, The Company issued a promissory note for \$25,000. The amount owing is unsecured, due on January 21, 2022, with interest of 12%.
- f) On October 5, 2021, The Company issued a promissory note for \$110,000. The amount owing is unsecured, due on October 5, 2022, with interest of 12%.
- g) On October 19, 2022, The Company issued a promissory note for \$24,000 for legal services. The amount owing is unsecured, due on October 19, 2023, with interest of 12%.
- h) On November 18, 2022, The Company issued a promissory note for \$90,000. The amount owing is unsecured, due on November 18, 2023, with interest of 12%.

- i) On February 16, 2024, The Company entered into a loan agreement for \$120,750. The amount owing is due on November 30, 2024, with monthly payments.

## **NOTE 9 – STOCKHOLDERS' EQUITY**

### ***Authorized Shares***

The Company is authorized to issue 5,000,000,000 shares of \$0.0001 par value common stock and 5,000,000 shares of preferred stock, par value \$0.001.

### ***Common Stock***

All common stock shares have equal voting rights, are non-assessable and have one vote per share.

### ***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.

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.

The holders of the Series C Preferred Stock are able to convert their Preferred Series C shares to restricted Common Shares at a ratio of 1:100 (1 Series C share converts to 100 Common shares). The holders of the Series C Preferred Stock are granted the same voting rights as a common stock shareholder as if the shares had already been converted to common. With respect to rights on liquidation, dissolution or winding up, shares of Series C Preferred Stock rank on a parity with the Company's common stock.

### ***Issued and Outstanding since January 1, 2022:***

- a) As of December 12, 2022, the Company issued 35,000,000 restricted common shares to a noteholder for compensation.
- b) As of January 10, 2023, the Company issued 117,777,778 restricted common shares to a noteholder for a conversion.
- c) As of February 4, 2023, the Company issued 5,000,000 restricted common shares to an equity investor.
- d) As of February 5, 2023, the Company issued 10,000,000 restricted common shares to a service provider.
- e) As of February 22, 2023, the Company issued 30,000,000 restricted common shares to a service provider.
- f) As of June 13, 2023, the Company issued 40,000,000 restricted common shares to the original shareholders of an acquired company.

- g) As of June 21, 2023, the Company issued 25,000,000 restricted common shares to the original shareholders of an acquired company.
- h) As of August 24, 2023, a 3(a)10 settled noteholder moved the final 6,000,000 common shares from their reserve account to their regular shareholder account.
- i) As of November 6, 2023, the Company issued 74,792,311 restricted common shares to a noteholder for a note conversion.
- j) As of January 29, 2024, the Company issued 75,452,369 restricted common shares to a noteholder for a note conversion.
- k) As of March 1, 2024, the Company issued 72,926,917 restricted common shares to a noteholder for a note conversion.
- l) As of March 15, 2024, the Company issued 10,000,000 restricted common shares to an equity investor.
- m) As of March 15, 2024, the Company issued 5,000,000 restricted common shares to a director of the Company for compensation.
- n) As of March 15, 2024, the Company issued 5,000,000 restricted common shares to a director of the Company for compensation.
- o) As of March 15, 2024, the Company issued 5,000,000 restricted common shares to a director of the Company for compensation.
- p) As of March 15, 2024, the Company issued 2,500,000 restricted common shares to an equity investor.
- q) As of March 28, 2024, the Company issued 25,000,000 restricted common shares to the original shareholders of an acquired company.
- r) As of March 28, 2024, the Company issued 25,000,000 restricted common shares to the original shareholders of an acquired company.

#### **NOTE 10 – CONFLICTS OF INTEREST**

The officers and directors of the Company are 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.

#### **NOTE 11 – SUBSEQUENT EVENTS**

The Company's management has evaluated subsequent events up to August 9, 2024, the date the financial statements were issued, pursuant to the requirements of ASC 855 and has determined the following material subsequent events:

None

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