Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Xsovt Brands, Inc.

1270 N. Wickham Road
Suite 13, No. 1019
Melbourne, FL 32935
(321) 306-0306
(833) 516-0606
finance@careclix.com
SIC Code 1405350

Second Amended Annual Report

For the year ending December 31 2023 **(the "Reporting Period")**

Outstanding Shares
The number of shares outstanding of our Common Stock was:

72,301,025 as of December 31, 2023

20,301,025 as of December 31, 2022

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[1] of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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

[1] "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.

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.

Current Name of the issuer: Xsovt Brands, Inc. since January 26, 2011

Former name: RxBids, Inc. from September 8, 2004.

Name changes: RxBids, Inc. to Xsovt Brands, Inc. on January 26, 2011

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):

Incorporated September 8, 2004 in the State of Nevada - Active

During the past 5 years and since inception, the Company has been incorporated in the State of Nevada

Describe any trading suspension orders issued by the SEC 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 Company acquired control of Virtual Health Holdings, Inc., a Florida corporation ("VHHI") in March 2023 in exchange for 50,000,000 shares of common stock. VHHI in turn is the parent company of CareClix, Inc., CareClix Services, Inc., CareClix RPM, Inc. and MyCareClix, Inc., which operate in the telehealth, virtual medicine markets. The shares issued in consideration collectively represent control of the outstanding common stock (50,000,000 out of 72,301,025 common shares or 71.9 percent) and Charles Scott also acquired control of the Series A, Series B and Series C Preferred Stock, which collectively carries a majority of the vote of all classes entitled to vote. The Issuer rescinded the acquisition of VHHI early in 2024 to allow VHHI greater flexibility in its efforts to raise capital for expansion of its business operations.

The address(es) of the issuer's principal executive office:

1270 N. Wickham Road
Suite 13, No 1019
Melbourne, FL 32935

The address(es) of the issuer's principal place of business:
x *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:
NA

2) Security Information

Transfer Agent

Name: VStock Transfer LLC
Phone: 212 828 8436
Email: young@vstocktransfer.com
Address: 18 Lafayette Place, Woodmere, NY 11598

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: XSVT
Exact title and class of securities outstanding – Common Stock
CUSIP: 98416 21 07
Par or stated value: $0.001
Total shares authorized: 100,000,000 shares as of December 31, 2023
Total shares outstanding: 20,301,025 shares as of December 31, 2022
Total shares outstanding: 72,301,025 shares as of December 31. 2023
Total number of shareholders of record: 49 as of date: December 31, 2023

All additional class(es) of publicly quoted or traded securities (if any): Not Applicable

Other classes of authorized or outstanding equity securities:

Exact title and class of securities outstanding: Series A Preferred Stock
CUSIP (if applicable): None
Par or stated value: $0.01
Total shares authorized: 1,500,000 as of date: December 31. 2023
Total shares outstanding (if applicable): 7,800 as of date: December 31, 2023
Total number of shareholders of record (if applicable): 32 as of date: December 31, 2023

Exact title and class of securities outstanding: Series B Preferred Stock
CUSIP (if applicable): None
Par or stated value: $0.01
Total shares authorized: 4,000 as of date: December 31. 2023
Total shares outstanding (if applicable): 3,507 as of date: December 31, 2023
Total number of shareholders of record (if applicable): 2 as of date: December 31, 2023

Exact title and class of securities outstanding: Series C Preferred Stock
CUSIP (if applicable): None
Par or stated value: $0.01
Total shares authorized: 1,000,000 as of date: December 31 2023
Total shares outstanding (if applicable): 70,000 as of date: December 31, 2023
Total number of shareholders of record (if applicable):1 as of date: December 31, 2023

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

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

The following summary description of the common stock of Xsovt, Inc. is based on the provisions of our articles of incorporation as amended as well as our bylaws, and the applicable provisions of the Nevada Revised Statutes. This information is qualified entirely by reference to the applicable provisions of our Articles of Incorporation, Bylaws and Nevada Law. Our Articles of Incorporation and Bylaws have previously been filed as exhibits with the Securities and Exchange Commission or posted on OTC Markets.

Voting Rights: Holders of our common stock are entitled to one vote per share in the election of directors and on all other matters on which shareholders are entitled or permitted to vote. Holders of our common stock are not entitled to cumulative voting rights.

Dividend Rights: Subject to the terms of any then outstanding series of preferred stock, the holders of our common stock are entitled to dividends in the amounts and at times as may be declared by our board of directors out of funds legally available therefor.

Liquidation Rights: Upon liquidation or dissolution, holders of our common stock are entitled to share ratably in all net assets available, if any, for distribution to shareholders after we have paid, or provided for payment of, all of our debts and liabilities, and after payment of any liquidation preferences to holders of any then outstanding shares of preferred stock.

Other Matters: Holders of our common stock have no redemption, conversion or preemptive rights. There are no sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to the rights of the holders of shares of any series of outstanding preferred stock and preferred stock that we may issue in the future.

All of our outstanding shares of common stock are fully paid and nonassessable.

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

The following is a summary description of the preferred stock of Xsovt Brands, Inc.

Series A Preferred Stock

On January 26, 2011, the Board of Directors designated a series of preferred stock titled Series A Preferred Stock consisting of 1,500,000 shares of which 7,800 shares are issued and outstanding. These shares were amended by the custodian for the Company pursuant to the Eighth District Judicial Court of Nevada. The Series A Preferred Stock carries a conversion price of $0.25 per share, does not contain any voting rights, rights to dividend, and has no liquidation rights, redemption or sinking fund provisions. There is currently no market for the shares of Series A Preferred Stock. and our former President, CEO, CFO, Secretary and Chairman of the Board of Directors, Richard Chiang, held majority ownership over these shares until February 13, 2023, when the shares were sold to Charles O. Scott, our current Chairman and CEO.

Series B Preferred Stock

On January 26, 2011, the Board of Directors designated a series of preferred stock titled Series B Preferred Stock consisting of 4,000 shares of which 3,507 shares are issued and outstanding. These shares were amended by the custodian for the Company pursuant to the Eighth District Judicial Court of Nevada. The Series B Preferred Stock carries 52.5% voting power over the common stock only on a converted basis based on certain restrictions, does not contain any rights to dividend, and has no liquidation rights, redemption or sinking fund provisions. There is currently no market for the shares of Series B Preferred Stock. and our former President, CEO, CFO, Secretary and Chairman of the Board of Directors, Richard Chiang, held majority ownership over these shares until February 13, 2023, when the shares were sold to Charles O. Scott, our current Chairman and CEO.

Series C Preferred Stock

On August 19, 2019, the Board of Directors designated a series of preferred stock titled Series C Preferred Stock consisting of 1,000,000 shares, of which 70,000 are issued and outstanding. There is currently no market for the shares of Series C Preferred Stock and each share is convertible into 1,000 shares of common stock of the Company. The shares have voting rights of 1,000 common share votes for every one share of Series C. The Preferred Series C does not contain any rights to dividends. and have no liquidation rights, redemption or sinking fund provisions. Our former President, CEO, CFO, Secretary and Chairman of the Board of Directors, Richard Chiang, held complete ownership over these shares until February 13, 2023, when the shares were sold to Charles O. Scott, our current Chairman and CEO.

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

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

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: x (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 12/31/2020 Common: 19,658,025 Preferred: A: 2,800 B: 3,507 C: 70,000									
Date of Transaction	**Transaction type (e.g., new**	**Number of Shares**	**Class of Securities**	**Value of shares issued ($/per**	**Were the shares issued at**	**Individual/ Entity Shares**	**Reason for share issuance**	**Restricted or Unrestricted**	**Exemption or**

	issuance, cancellation, shares returned to treasury)	Issued (or cancelled)		share) at Issuance	a discount to market price at the time of issuance? (Yes/No)	were issued to. *You must disclose the control person(s) for any entities listed.	(e.g. for cash or debt conversion) -OR- Nature of Services Provided	as of this filing.	Registration Type.
10-13-2022	New Issue	643,000	Common	$0.31	Yes	Acer Exhibits & Events, LLC (Mark Crane)	Settlement of AP	Restricted	4(a)(2)
1-26-2023	New Issue	2,000,000	Common	$0.01	Yes	Richard Chiang	Settlement of debt	Restricted	4(a)(2)
3-6-2023	New Issue	50,000,000	Common	$25.000,000	No	Solei Liquidating Trust *(Charles Scott Trustee)	Acquisition	Restricted	4(a)(2)
Shares Outstanding on December 31, 2023 Ending balances Date 12-31-2023 Common 72,301,025 Preferred: A: 2,800 B: 3,507 C: 70,000									

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: x Yes: (If yes, you must complete the table below)

Use the space below to provide any additional details, including footnotes to the table above:

The Issuer has no convertible notes outstanding.at December 31, 2023. With the acquisition of Virtual Health Holdings, Inc. as a wholly owned subsidiary, in February 2023, convertible notes of VHHI were included in the consolidated financial statements of the Issuer; however, these convertible notes of VHHI have not been assumed by the Issuer and there is no conversion feature allowing the conversion of these notes into common stock of the Issuer. The consolidated balance sheets of the Issuer included in this Disclosure Report reflect $445,000 in convertible debt of VHHI at December 31. 2023. With the expected rescission of the VHHI acquisition, these convertible notes will no longer be included in the consolidated balance sheets of the Issuer after December 31, 2023.

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

We currently operate as a global virtual healthcare ecosystem centered around the CareClix Group of companies to provide the complete telehealth solution. The CareClix Group of companies consists of: CareClix Inc., CareClix Services, Inc., MyCareClix, Inc., CareClix Network PA and CareClix RPM. Inc., which are each a wholly owned subsidiary of Virtual Health Holdings, Inc., a Florida corporation ("VHHI"), Inc. In March 2023, we acquired all of the issued and outstanding stock of VHHI in exchange for 50,000,000 shares of our common stock.

Our principal executive offices currently are located at 1270 N. Wickham Road, Suite 13A, No. 1019, Melbourne, FL 32935 and our telephone is.321 306-0306.

List any subsidiaries, parent company, or affiliated companies.

VHHI currently is a wholly owned subsidiary of XSVT. The CareClix companies are all wholly owned subsidiaries of VHHI.

B. Describe the issuers' principal products or services.

The CareClix Group of Companies have a proven success record within the global growth of virtual healthcare delivery. We are well positioned to deliver this service with the technological and operational infrastructure we have created over the last decade. Having endured the initial growing pains essential to the foundation of any telemedicine company—namely, the careful interplay of interoperability, data transmission and organic workflow integration. over the past decade CareClix created roots throughout the healthcare industry necessary to produce the type of quality health care delivery within a continuation of services that patients require as they navigate their healthcare and wellness needs. CareClix is a full spectrum virtual healthcare product for individuals addressing their diverse healthcare needs and not a niche product that only addresses episodic issues which may ignore comorbidities and co- conditional needs. Since our inception we have planned and implemented an offering that is more comprehensive. As a result, CareClix has gained momentum internationally through its sales force and strategic relationships. CareClix has a unique global sales force. CareClix utilizes internal sales team, independent sales team and distribution channels such as system integrators, healthcare providers, IT companies, and benefits administrators to reach a growing number of countries and all 50 US states. Adding to the growth of the platform, CareClix has undertaken a major reorganization which has produced significant internal cost efficiencies. CareClix has the internal staff and systems to meet the diverse needs of healthcare providers without the inefficiencies common in our competitors. Combined with our robust sales program, we intend to expand our domestic and international footprint and be operationally profitable by fiscal 2023 year end.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company and its subsidiaries operate on a virtual basis; accordingly, plant and equipment are minimal.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more that 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /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
Charles Scott	CEO, Director, >5% owner	Alexandria, VA	_____ 0	Preferred Common	100% 0%	NA
John Korangy	President, > 5% owner	Potomac, MD	0	Common	0	NA
Job Right Consulting, Inc.	Controller, Consultant	Lynbrook, NY	-____-	NA-	-NA-	Joseph Rolston

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 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);

   Yes

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

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 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.

Charles Scott has been named as a defendant in a federal proceeding in Ohio alleging securities fraud involving a company in which he was a passive minority investor, but he denies the allegations and is defending the charges, which he asserts are without merit.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Donald Richards, Esq
Address 1: 333 S. Grande Ave-Suite 3590 Address 2: Los Angeles, CA 90071
Phone: 714 860-2232
Email: lawlogic@yahoo.com

Accountant or Auditor

Name:	Victor Mokuolo, CPA
Firm:	Victor Mokuolo CPA, PLLC
Address 1:	8990 Kirby Street, Suite 220
Address 2:	Houston, TX 77054
Phone:	713 588-6622
Email:	ask@VMCPAFirm.com

Investor Relations

Name:	_____
Firm:	_____
Address 1:	_____
Address 2:	_____
Phone:	_____
Email:	_____

All other means of Investor Communication:

Twitter:	_____
Discord:	_____
LinkedIn	_____
Facebook:	_____
[Other]	_____

<u>Other Service Providers</u>
Provide the name of any other service provider(s) 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.

Name:	Robert Hipple
Firm:	Indian River Financial Services, Inc.
Nature of Services:	Legal, regulatory
Address 1:	1270 N Wickham Road
Address 2:	Suite 13, No 1020
City	Melbourne, FL 32935
Phone:	321 223-2670
Email:	legal@careclix.com

9) Financial Statements

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

Name: Robert Hipple, Esquire
Title: Consultant
Relationship to Issuer: Contract Consultant

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

☐ IFRS
x U.S. GAAP

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

Name: Joseph Rolston
Title: CPA, Consultant
Relationship to Issuer: Consultant, Controller

Describe the qualifications of the person or persons who prepared the financial statements: Experienced public company CPA

D. Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

a. Audit letter, if audited;
b. Balance Sheet
c. Statement of Income;
d. Statement of Cash Flows;
e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
f. Financial Notes

Important Notes:
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- All financial statements for a fiscal period must be published together with the disclosure statement in one Annual or Quarterly Report.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and principal accounting officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Charles Scott certify that:

1. I have reviewed this Amended Disclosure Statement for Xsovt Brands, 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.

July 3, 2024 [Date]

/s/ Charles Scott [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Accounting Officer:

I, Joseph Rolston certify that:

1. I have reviewed this Amended Disclosure Statement for Xsovt Brands, 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.

July 3, 2024

/s/ Joseph Rolston [Controller's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Xsovt Brands, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)

XSOVT BRANDS, INC.

CONSOLIDATED BALANCE SHEETS

	JUNE 30, 2023 (Unaudited)	DECEMBER 31, 2022 (Unaudited)
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 13,191	$ 55,327
Accounts Receivable, net of allowance for doubtful accounts of $5,800 and $5,800, respectively	115,783	163,470
Prepaid expenses	12,489	12,805
Total Current Assets	141,463	231,602
Fixed Assets, net of accumulated depreciation of $58,692 and $56,953, respectively	1,738	3,477
Other Assets		
Goodwill	828,216	828,216
Intangible assets, net of accumulated amortization of $533,905 and $471,093, respectively	481,879	544,691
Total Other Assets	1,310,095	1,372,907
TOTAL ASSETS	$ 1,453,296	$ 1,607,986
LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)		
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	$ 768,857	$ 728,526
Other Current Liabilities		

Due related party	357,732	367,781
Notes Payable	658,200	124,000
Note Payable	186,779	191,478
Other current liability (Note 3)	1,456,797	1,382,737
Total other current liabilities	2,659,508	2,065,996
Total Current Liabilities	3,428,365	2,794,522
Long Term Liabilities		
Convertible debt	445,000	445,000
Total Long Term Liabilities	445,000	445,000
TOTAL LIABILITIES	3,873,365	3,239,522
SHAREHOLDER'S DEFICIENCY		
Capital Stock		
Common stock , par value $0.001 100,000,000 authorized, 72,301,025 and 20,301,025 shares issued and outstanding on June 30, 2023 and December 31, 2022, respectively	72,301	20,301
Total capital stock	72,301	20,301
Preferred Stock		
Preferred stock, Series A, par value $0.001, 1,500,000 authorized, 7,800 issued and outstanding	8	8
Preferred stock, Series B, par value $0.001, 4,000 authorized, 3,507 issued and outstanding	4	4
Preferred stock, Series C, par value $0.001, 1,000,000 authorized, 70,000 issued and outstanding	70	70
Total preferred stock	82	82
Additional paid-in capital	4,172,924	4,203,459
Accumulated deficit	(6,665,376)	(5,855,378)
Total Shareholder's Deficiency	(2,420,069)	(1,631,536)

TOTAL LIABILITIES AND SHAREHOLDER'S DEFICIENCY	$ 1,453,296	$ 1,607,986

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

XSOVT BRANDS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the six months ended June 30, 2023 (unaudited)	For the six months ended June 30, 2022 (unaudited)	For the three months ended June 30, 2023 (unaudited)	For the three months ended June 30, 2022 (unaudited)
REVENUE				
Software as a Service	$ 30,383	$ 77,860	$ 18,355	$ 31,099
Fee for Services	705,803	923,830	339,057	429,054
Other revenue	-	9,086	-	9,086
Total Revenue	736,186	1,010,776	357,412	469,239
COS Total Cost of Sales	112,601	163,387	54,778	72,135
GROSS PROFIT	623,585	847,389	302,634	397,104
OPERATING EXPENSES				
Sales and Marketing	379,543	200,702	304,640	96,844
Technology Development	181,146	163,635	107,554	92,145
General and Administrative	754,390	1,029,932	309,441	436,978
Total Operating Expenses	1,315,079	1,394,269	721,635	625,967
NET OPERATING LOSS	(691,494)	(546,880)	(419,001)	(228,863)
Net interest expense	(118,504)	(81,677)	(61,124)	(42,082)
NET LOSS	$ (809,998)	$ (628,557)	$ (480,123)	$ (270,945)
Basic and diluted loss per share from continuing	$ (0.02)	$ (0.03)	$ (0.01)	$ (0.01)
Basic and diluted weighted average number of shares outstanding	53,626,992	20,301,025	73,201,025	20,301,025

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

XSOVT BRANDS, INC.

Consolidated Statements of Stockholder's Deficiency

For the six months ended June 30, 2023

(Unaudited)

	Common Stock				Preferred Stock				Additional		Accumulated		Total Stockholder's
	Shares		Amount		Shares		Amount		Paid in capital		Deficit		Deficiency
Balance - January 1, 2023	20,301,025	$	20,301		81,307	$	82	$	4,203,459	$	(5,855,378)	$	(1,631,536)
Issuance of common shares for debt	2,000,000		2,000						19,465				21,465
Issuance of common shares for acquisition of VHHI	50,000,000		50,000						(50,000)				-
Net loss											(809,998)		(809,998)
Balance - June 30, 2023	72,301,025	$	72,301		81,307	$	82	$	4,172,924	$	(6,665,376)	$	(2,420,069)

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

XSOVT BRANDS, INC.

Consolidated Statements of Stockholder's Deficiency

For the six months ended June 30, 2022

(Unaudited)

	Common Stock				Preferred Stock				Additional		Accumulated		Total Stockholder's
	Shares		Amount		Shares		Amount		Paid in capital		Deficit		Deficiency
Balance - January 1, 2022	20,301,025	$	20,301		81,307	$	82	$	4,224,825	$	(5,849,333)	$	(1,604,125)
Net loss											(628,557)		(628,557)
Balance - June 30, 2022	20,301,025	$	20,301		81,307	$	82	$	4,224,825	$	(6,477,890)	$	(2,232,681)

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

XSOVT BRANDS, INC.

Consolidated Statements of Stockholder's Deficiency

For the three months ended June 30, 2023

(Unaudited)

	Common Stock		Preferred Stock		Additional	Accumulated	Total Stockholder's
	Shares	Amount	Shares	Amount	Paid in capital	Deficit	Deficiency
Balance - April 1, 2023	72,301,025	$ 72,301	81,307	$ 82	$ 4,172,924	$ (6,185,253)	$ (1,939,946)
Net loss						(480,123)	(480,123)
Balance - June 30, 2023	72,301,025	$ 72,301	81,307	$ 82	$ 4,172,924	$ (6,665,376)	$ (2,420,069)

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

XSOVT BRANDS, INC.

Consolidated Statements of Stockholder's Deficiency

For the three months ended June 30, 2022

(Unaudited)

	Common Stock		Preferred Stock		Additional	Accumulated	Total Stockholder's
	Shares	Amount	Shares	Amount	Paid in capital	Deficit	Deficiency
Balance - April 1, 2022	20,301,025	$ 20,301	81,307	$ 82	$ 4,224,826	$ (6,206,945)	$ (1,961,736)
Net loss						(270,945)	(270,945)
Balance - June 30, 2022	20,301,025	$ 20,301	81,307	$ 82	$ 4,224,826	$ (6,477,890)	$ (2,232,681)

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

XSOVT BRANDS, INC.

Consolidated Statements of Cash Flows

		For the six months ended June	
		2023	2022
		(Unaudited)	(Unaudited)
Cash Flows From Operating Activities			
Net loss	$	(809,998) $	(628,557)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization		62,812	62,812
Depreciation		1,739	6,438
Provision for bad debts		-	35,000
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable		47,687	132,078
Prepaid expenses and other current assets		316	(48,627)
Increase (decrease) in:			
Accounts payable and accrued expenses		61,796	7,278
Deferred revenue		-	20,258
Other current liability		74,060	74,060
Cash used by operating activities		(561,588)	(339,260)
Cash Flows From Financing Activities			
Proceeds of demand notes payable - related party		-	16,240
Repayment of demand notes payable - related party		(10,049)	-
Proceeds from convertible notes payable		-	250,000
Repayment of note payable		(4,699)	-
Proceeds from notes payable		534,200	-
Cash (used)/provided by financing activities		519,452	266,240
Net Increase (decrease) in Cash and Cash Equivalents		(42,136)	(73,020)
Cash and Cash Equivalents - beginning		55,327	87,981
Cash and Cash Equivalents - end	$	13,191 $	14,961
Supplemental Disclosures of Cash Flow Information			
Cash paid for:			
Interest	$	25,658 $	1,782
Issuance of commpn shares for acquisition of CareClix Companies	$	50,000 $	-
Issuance of commpn shares for cancelation of debt	$	21,465 $	-

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

Xsovt Brands, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

Note 1. Nature of Business and Significant Accounting Policies

NATURE OF BUSINESS:

Xsovt Brands, Inc. (XSVT) is a Nevada corporation that had reported as a shell corporation since June 21, 2021. On February 13, 2023, XSVT reported that it had entered into a Share Exchange Agreement to acquire all of the outstanding equity interests in Virtual Health Holdings, Inc. (VHHI), the owner and operator of four virtual health related businesses operating as the CareClix Companies. On March 6, 2023, that acquisition was completed with the transfer of all equity interests in and assumption of certain liabilities of VHHI by XSVT in exchange for 50,000,000 shares of unregistered common stock of XSVT, issued to the Solei Liquidating Trust, the sole shareholder of VHHI. On March 6, 2023 a Supplemental Report on Termination of Shell Company Status was filed with OTCIQ, XSVT, VHHI and the CareClix Companies are collectively referred to as the "Company".

Virtual Health Holdings, Inc (VHHI). is a Florida corporation formed on September 29, 2022. It is the parent company of four virtual health companies, CareClix, Inc., CareClix Services, Inc., CareClix RPM, Inc. and MyCareClix, Inc., collectively the "CareClix Companies". VHHI acquired the CareClix Companies on its formation in a transaction treated as a reverse merger for accounting purposes, with the date of inception accordingly being April 10, 2019 (the incorporation date of CareClix, Inc.) and the combined financial statements of the CareClix Companies being treated as the financial statements of the consolidated companies. The financial statements for the yearended March 31, 2023 filed with this report for the Company are prepared on the basis of a reverse merger for accounting purposes.

CareClix, Inc. is a Virginia corporation formed on April 10, 2019, to receive proprietary and patent pending telemedicine operating software ("CareClix Anywhere™") acquired in April 2019. The proprietary CareClix Anywhere™ operating software, and pending patent for that software, the domain name and trademark for the software and certain related incidental tangible assets were acquired from KB Medical Systems, LLC, an unrelated company and the developer of CareClix Anywhere™ which was closed April 12, 2019. CareClix, Inc. commenced a new operating business with the assets following the acquisition. One thousand shares of the common stock of CareClix, Inc., par value $0.001 was issued to the former parent company of CareClix, Inc. for the CareClix Anywhere™ assets, which were valued by an independent valuation service at $1,900,000.

CareClix, Inc. was engaged in two separate lines of business from inception: licensing of the software to third parties which have their own medical networks (software as a service or SaaS) and affording access to a nationwide medical network to a client's employees, members and other end users on a per medical consult basis ("Fee for Service"). In most cases, SaaS revenues are billed to the client monthly in advance based on the number of end users eligible to access the services each month, and Fee for Services are billed in arrears based on the total medical consults used in a month. The medical network accessed for the Fee for Service operations is operated by CareClix Network, PA, a Florida professional association affiliated with the CareClix Companies. Where appropriate, CareClix Companies also charges an implementation fee to integrate the CareClix Anywhere™ operating software with the clients' systems and operations.

In August 2021, CareClix Services Inc. began operations with its principal line of business as Fee for Services, for better management and marketing reasons. The Fee for Service operations of CareClix, Inc. was transferred to, CareClix Services, Inc. and the SaaS operations remained with CareClix, Inc.

XSVT, VHHI and the CareClix Companies. are collectively referred to as the "Company".

SUMMARY OF THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PRESENTATION

The accounts are maintained, and the consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the accounts of the CareClix Companies and VHHI as well as the equity of XSVT as they are under common control and management. All transactions between VHHI, XSVT and the CareClix Companies. have been eliminated in the consolidation.

The financial statements of CareClix, Inc. for the year ended December 31, 2019, were audited as part of a consolidated audit of the former parent company of CareClix, Inc. and were included in the Annual Report on Form 10-K filed for that former parent company, including the reporting and valuation of the business combination (See, Business Combination).

The financial statements of the then active CareClix Companies also were audited for the years ended December 31, 2020 and 2021, but the audit firm was not a PCAOB registered audit firm. In April, 2022, VHHI engaged a PCAOB firms, Victor Mokuolo, CPA PLLC, to reaudit the Company financial statements for the years 2020 and 2021, and to audit the financial statements for the year ended December 31, 2022

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers highly liquid investments with maturity of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2023, or 2022. Cash consists of cash on deposit in banks and funds received but not yet deposited.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at amounts which management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt and a credit to an allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of December 31, 2023 and 2022, the Company recorded bad debt expense of $0 and $35,000, respectively. On December 31, 2023 and December 31, 2022, the Company's allowance for bad debts amounted to $5,800 and $5,800, respectively.

BUSINESS COMBINATION

The Company completed the acquisition of certain assets of KB Medical Systems, LLC, an unaffiliated company for a total consideration of $1,900,000. Based on the terms of the acquisition, the Company evaluated the proper accounting treatment for this acquisition to determine if the acquisition should be treated for accounting purposes as an acquisition of assets, or as a business combination. under ASC 805. The Company concluded that the transaction should be reported as a business combination.

ASC 805 mandates the evaluation of the inputs and outputs of each separate asset acquired with an allocation of the total purchase price to all assets acquired, including good will or going concern value. The Company retained the services of an independent valuation firm to review the valuations and allocations of the assets purchased. As a result of that independent review, the Company allocated the total acquisition price as follows:

	Tangible assets	$ 56,000
	Technology	$ 936,591
	Trade names and trademarks	$ 66,899
	Customer relationships	$ 12,294
	Assembled workforce	$ 100,100
	Goodwill	$ 728,116
Total Assets acquired		$ 1,900,000

In September 2022, ownership of the CareClix Companies was first conveyed to a liquidating trust for the former parent holding company and then conveyed by that trust to VHHI on its formation on September 29, 2022. For accounting purposes, this transaction was considered as the equivalent of a reverse merger of VHHI and the CareClix Companies with the latter as the deemed acquirer. In March 2023, the liquidating trust conveyed the Companies to XSOVT Brands, Inc (XSVT)., an alternative reporting OTC Pink shell company for stock of XSVT.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and depreciated over appropriate estimated useful lives. Certain tangible and intangible assets were acquired by the Company in April 2019 and reported as reflected in the independent valuation report, as noted above in Business Combination, and are all being amortized or depreciated over their remaining useful lives.

As of December 31, 2023 and December 31, 2022, the Company's property and equipment consisted of the following:

Property and equipment:	Life	December 31, 2023	December 31, 2022
Computer equipment	3	$ 18,630	$ 18,630
Furniture and fixtures	5	8,000	8,000
Medical equipment	3	33,800	33,800
Total cost		60,430	60,430
Accumulated Depreciation		(58,692)	(56,953)
Net		$ 1,738	$ 3,477

Depreciation expense amounted to $1,739 and $3,207 during the six months years ended June 30, 2023 and 2022, respectively.

INTANGIBLE ASSETS

Intangible assets as of December 31, 2023 and 2023 consisted of the following:

	Life	December 31 2023	December 31, 2022
Intangible assets:			
Technology	8	$ 936,592	$ 936,592
Trademark and trade name	9	66,899	66,899
Customer Relationships	11	12,293	12,293
Total cost		1,015,784	1,015,784
Accumulated amortization		(533,905)	(471,093)
Net		$ 481,879	$ 544,691

IMPAIRMENT OF LONG-LIVED ASSETS

The Company reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is evaluated based on the sum of undiscounted estimated future cash flows expected to result from use of the assets compared to its carrying value. If impairment is recognized, the carrying value of the impaired asset is reduced to its fair value.

Our Goodwill has been derived from the Company's acquisition of certain assets of KB Medical Systems, LLC, an unaffiliated Company for a total consideration of $1,900,000.

ASC 805 mandates the evaluation of the inputs and outputs of each separate asset acquired with an allocation of the total purchase price to all assets acquired, including goodwill, or going concern value. The Company retained the services of an independent valuation firm to review the valuations and allocations of the assets purchased. As a result of that independent review, the Company allocated the total acquisition price as follows:

Assets acquired from KB Medical Systems, LLC:	
Tangible assets	$ 56,000
Technology	$ 936,591
Trade names and trademarks	$ 66,899
Customer relationships	$ 12,294
Value of identified assets	$ 1,071,784
Consideration paid	$ 1,900,000
Excess purchase price over the value of the consideration paid	$ 828,216

In accordance with the relevant accounting standards, Company management regularly reviews the carrying value of goodwill to assess whether there were any indications of impairment.

The Company's assessment involved the following key steps:

1. We gathered all relevant financial information, including historical financial statements, forecasts, and other information that may impact the carrying value of our goodwill.
2. We estimated the fair value of acquired assets, including the goodwill, by calculating the net present value of the future cash flow from the business operations by reviewing projections for the next five years, then calculating the net present value of the future cash flow from the business operations.
3. To complete the analysis, we then calculated the NPV of the future cash flows from the business over the 5 years to compare it to the goodwill established. We choose a discount rate of 30% for the business as there are risks associated with the business and the Company's ability to meet these sales projections and costs.

As a result of the Company's assessment and analysis which was conducted for the years ended December 31, 2023 and 2022, Company management has determined that there was no impairment to the Company's long-lived assets which would require an adjustment to the carrying value of its goodwill for the years ended December 31, 2023 and 2022.

REVENUE RECOGNITION

The Company recognizes revenue from product sales or services rendered under ASC 606, which directs that revenue should be recognized when the promised goods or services are transferred to the customer. The amount of revenue recognized should equal the total consideration expected to be received in return for the goods or services. ASC 606 creates a five-step approach that should be applied when determining the amount and timing of revenue recognition.

- Step 1: Identify the contract with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company currently maintains two separate lines of revenue; revenues from use of the CareClix Anywhere™ software by third parties (Software as a Service or SaaS); and revenues from patient consultations through the CareClix telemedicine system) Fee for Service). The revenues from these two lines of business are recognized as follows:

SaaS: The CareClix software system is used by certain third-party customers to service their telemedicine clients under written service agreements with CareClix, Inc. Those clients generally pay a co-pay at the time of service, in most cases by credit card, and those co-pay fees are transmitted to CareClix, Inc. through a card processing service, as part of the third-party service agreement. That revenue is recognized as received. On a monthly basis, the balance of the client fees is billed, and the invoice is charged to service revenue immediately. The identity of the client, the related performance obligations, the various transaction prices for different levels and frequency of use are all determined by the individual service agreements with each client, and the CareClix software maintains all of the details of the price, performance, frequency and billing under each contract. The co-pay fees are received at the time the service is provided to the telemedicine client by the CareClix customer and is recognized on receipt. Any balance due for those services is billed monthly in arrears by CareClix and recognized as revenue for the month is which the services are performed. SaaS revenues for the fiscal years ended December 31, 2022 and 2021 totaled approximately $211,812 and $25,612, respectively.

Telemedicine Revenues (Fee for Service): Other customers of CareClix use the CareClix telemedicine platform directly to service their clients or members and the CareClix software maintains the record of the number of consultations and other work performed for the customer's clients, using the CareClix contracted medical doctors, and CareClix bills the customer monthly for all services provided during the month, in accordance with the written agreement between CareClix and the customer. That revenue is recognized as income at the time it is invoiced since it is for services already rendered during the month of billing. Telemedicine revenues (Fee for Service) for the fiscal years ended December 31, 2022 and 2021 totaled approximately $1,695,107 and $3,727,793, respectively.

In addition to the SaaS and Fee for Service revenues, the Company charges an Implementation Fee to cover the costs incurred in setting up access to the software for each client and its customers, which varies based on the requirements for each customer. The Implementation Fee is recognized as income incrementally as the related implementation services are being completed, but all Implementation Fees are recognized when the services contracted for are ready for initiation.

COST OF REVENUE

Cost of revenue consisted primarily of contracted medical services for telehealth sales of $112,601 and $163,387 for the six months ended December 31, 2023 and 2022, respectively.

INCOME TAXES

The Company accounts for income taxes under ASC 740 "*Income Taxes*". Under the asset and liability method of FASB ASC 740, deferred tax asset and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. For the years ended 2022 and 2021, we did not establish a deferred tax asset.

RESEARCH AND DEVELOPMENT COSTS

CareClix, Inc. engages in regular and continuing development and refining of its proprietary CareClix Anywhere™ operating software. All of the related development costs are expensed as incurred. For the year ended December 31, 2023 and 2022, the Company incurred approximately $181,146 and $163,635, respectively in development costs.

GOING CONCERN ANALYSIS

In evaluating the Company's ability to continue as a going concern, management considered the conditions and events that could raise substantial doubt regarding the Company's ability to continue as a going concern within 12 months after the Company's financial statements are issued. Management considered the Company's current financial condition and liquidity sources, including current funds available, forecasted future cash flows and the Company's conditional and unconditional obligations due.

The Company is subject to a number of risks similar to those of other telehealth companies, healthcare consulting companies and subscription based businesses, including its dependence on outside sources of capital, the Company's ability to maintain and grow its subscriber base, uncertainty of generation of revenues and positive cash flow, dependence on key individuals, risks associated with research, development, testing, and successful protection of intellectual property, and the Company's susceptibility to infringement on the proprietary rights of others. The attainment of profitable operations is dependent on future events, including obtaining adequate financing to fulfill the Company's growth and operating activities and generating a level of revenues adequate to support the Company's cost structure.

The Company has experienced net losses and significant cash outflows from cash used in operating activities over the past years. As of December 31, 2023, the Company had an accumulated deficit of $6,665,376 and, for the year s ended December 31, 2023, incurred a net loss of $809,998, and cash used in operating activities amounted to $561,588. As of and for the year ended December 31, 2022, the Company had an accumulated deficit of $5,855,378, a net loss of $1,335,693, and cash used in operating activities amounted to $646,810.

In the past the Company has financed operations through loans from an officer of the Company and private offerings of convertible debt. The Company also plans to support its operations by continuing to raise additional capital until the planned operating results are achieved.

The Company is unable to predict the extent of any future losses or when the Company will become profitable. Any debt financing, if available, may include potential restrictive covenants that impact the Company's ability to conduct business. If the Company is unable to raise additional capital when required or on acceptable terms, the Company may have to (i) significantly scale back its current operations or (ii) relinquish or otherwise dispose of rights to technologies or products on unfavorable terms. While the Company believes in the viability of its strategy to commence operations and generate sufficient revenue and in its ability to raise additional funds, there can be no assurances to that effect.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. This basis of accounting contemplates the recovery of the Company's assets and the satisfaction of liabilities in the normal course of business. A successful transition to attaining profitable operations is dependent upon achieving a level of positive cash flows adequate to support the Company's cost structure.

FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB ASC 820 “FAIR VALUE MEASUREMENTS AND DISCLOSURES,” defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosure about fair value measurements. FASB ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows.

Level 1. Observable inputs such as quoted prices in active markets,

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly, and

Level 3. Unobservable inputs in which there is little or no market data which requires the reporting entity to develop its own assumptions.

The Company does not have any assets or liabilities measured at fair market value on a recurring basis as of December 31, 2022 and 2021.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company evaluates new pronouncements as issued and evaluates the effect of adoption on the Company at the time. The Company has determined that recently adopted accounting pronouncements will not have a material impact on the financial statements for the six months ended June 30, 2023 and 2022.

Note 2. Convertible Debt

As of December 31, 2023 and December 31, 2022, the Company’s outstanding convertible notes are summarized as follows:

	December 31, 2023	December 31, 2022
Convertible notes:	$ 445,000	$ 50,000

During the year ended December 31, 2022, the Company received proceeds of $395,000 on notes with 18 investors. The notes have a term of three years from issuance and pay interest of 8.5%.

During the year ended December 31, 2021, the Company received proceeds of $50,000 on notes with three investors. The notes have a term of three years from issuance and pay interest of 8.5%.

Convertible Debt Note Holders have the right from time to time, and at any time during the period beginning on the date which is 180 days following the issue date and ending on the later of the Maturity Date and the date of payment of the Default Amount at the conversion price of $1.00 per share.

Note 3. Other Current Liability

As of December 31, 2021, CareClix Holdings, Inc. f/k/a Solei Systems, Inc. (SOLI) completed the Interim Closing (Note 1) of the transfer of its four subsidiaries to Life on Earth, Inc. (LFER). The four subsidiaries were CareClix, Inc., CareClix Services, Inc., CareClix RPM, Inc. and MyCareClix, Inc. The consideration for the transfer was an undertaking to issue common shares of LFER to the shareholders of SOLI as soon as those common shares were registered with the SEC, required to be completed by May 31, 2022. As a result of that transaction, SOLI would have no remaining assets, but had a series of convertible promissory notes outstanding convertible, the principal amounts aggregating to $1,110,000, into SOLI common stock at the option of the holder but maturing in Fall 2021 or Spring 2022. Each of the noteholders was contacted and offered the option to convert their existing note into a convertible note in LFER or to a promissory note in CareClix, Inc., however, the nine note holders (some with multiple notes) refused and insisted on retaining their existing notes in CareClix Holdings, Inc. (hereafter the "SOLI Notes"). Following the December 31, 2021, contingent closing, SOLI adopted a plan of complete liquidation with its only assets being the contingent interest in the four former subsidiaries pending the effectiveness of the registration statement to be filed by LFER and its only liabilities being the total principal and accrued interest on the SOLI Notes.

To continue the operations of the CareClix business and to honor the commitment to repaying the outstanding notes, notwithstanding the refusal of the nine SOLI noteholders, CareClix, Inc. agreed with SOLI to assume the obligation to repay the amounts owed by SOLI as of December 31, 2021 in exchange for the cancellation of intercompany advances by SOLI to CareClix, Inc. in the same amount. Accordingly, the SOLI Notes liability was placed on the books of CareClix, Inc. effective January 1, 2022 as an "Other Current Liability", technically without interest. Interest, however, is being accrued on this liability nonetheless because Mr. Charles Scott, principal shareholder of Virtual Health Holdings, Inc. ("VHHI"), wants to honor his original commitment to the nine SOLI note holders made by SOLI. There is no direct relationship between CareClix, Inc. and the nine SOLI noteholders and no documentation of any loans or other liability of CareClix, Inc. to the nine SOLI noteholders.

In May 2022, the default date on the registration of the shares to be issued by LFER as the consideration for the transfer of the CareClix subsidiaries to LFER was extended and in September 2022, the extension was rescinded, and the transaction was cancelled. The four CareClix subsidiaries then reverted automatically to SOLI, were immediately transferred by SOLI in liquidation to the SOLI Liquidation Trust and SOLI was dissolved under Florida law. The SOLI Liquidation Trust then conveyed the four CareClix subsidiaries to Virtual Health Holdings, Inc., a newly formed Florida corporation, and received all the stock in that entity, all in September 2022.

The twelve recorded promissory notes representing the SOLI Notes liability on the CareClix, Inc. books have been recorded as Other Current Liability on the Company's consolidated balance sheet as December 31, 2022 and 2021, respectively.

The following table summarizes the Company's Other Current Liability for the SOLI notes as of December 31, 2023 and December 31, 2022:

	Dercember 31 2023	December 31, 2022
Other current Liability - beginning	$ 1,382,737	$ 1,234,562
Increase -		
Accrued interest expense	74,060	148,175
Other current Liability - ending	$ 1,456,797	$ 1,382,737

The Company agreed with SOLI to assume the obligation to repay the amounts owed by SOLI, principal and accrued interest, as of December 31, 2021 in exchange for the cancellation of intercompany advances by SOLI to CareClix, Inc. in the same amount.

The Company recorded interest expense in the amounts of $74,060 and $74,060 during the years ended December 31 2023 and 2022, which was calculated at an annual rate of 12%, which was the default interest rate of the SOLI Notes.

Note 4. Stockholders' Equity

COMMON STOCK

The authorized common stock of the Company consists of 100,000,000 common shares with par value of $0.001. A total of 72,301,025 shares were issued and outstanding on 2ecember 31, 2023 as a result of the issuance of 50,000,000 common shares to the SOLI Liquidating Trust. A total of 20,301,025 shares were issued and outstanding on December 31, 2022. In January 2024, the acquisition of VHHI was rescinded by mutual agreement, the 50,000,000 common shares of the Company were cancelled and a total of 22,301,025 common shares remained issued and outstanding.

NET LOSS PER COMMON SHARE

Net loss per share is calculated in accordance with FASB ASC 260, "EARNINGS PER SHARE." The weighted-average number of common shares outstanding during each period is used to compute basic loss per share. Diluted loss per share is computed using the weighted average number of shares and dilutive potential common shares outstanding. Dilutive potential common shares are additional common shares assumed to be exercised.

Basic net loss per common share is based on the weighted average number of shares of common stock outstanding of 53,626,992 and 20,301,025 shares as of December 31, 2023 and 2022., respectively.

Note 5. Subsequent Events

In January 2024, the Company and VHHI mutually agreed to rescind the acquisition of VHHI by the Company and to cancel the 50,000,000 shares of XSVT common stock issued in the transaction. As a result, the common shares of the Company issued and outstanding have been reduced to 22,301,025 and VHHI and XSVT are no longer affiliated. Control of XSVT has not changed, however, as Charles O. Scott remains the control shareholders by virtues of his ownership of all of the outstanding preferred stock.