

LIVECARE, INC.

A Delaware Corporation

1500 East Venice Avenue, Suite 411, Venice, Florida 94292

Telephone: (800) 345-0491

Website: LiveCareHealth.com

Company Email: mrockwell@livecarehealth.com

Annual Report

For the Period Ending: December 31, 2024
(the "Reporting Period")

As of December 31, 2024, the number of shares outstanding of our Common Stock was **61,590,398**

As of December 31, 2023, the number of shares outstanding of our Common Stock was **50,875,398**

Shell Status

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

No

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

No

Change of Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

No

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.

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

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

The current name of the issuer is LiveCare, Inc.

The Company was incorporated as GULF CHRONIC CARE, INC. in the state of Delaware on July 10, 2018.

The Company changed its name to LIVECARE, INC. on August 22, 2019.

Current State and Date of Incorporation or Registration: **Delaware, July 10, 2018**

Standing in this jurisdiction: **active and in good standing**

Prior incorporation information for the issuer and any predecessors during the past five years:

The Company was incorporated as GULF CHRONIC CARE, INC. in the state of Delaware on July 10, 2018.

The Company changed its name to LIVECARE, INC. on August 22, 2019.

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

None

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

None in the past 12 months.

Address of the issuer's principal executive office:

**1500 East Venice Avenue, Suite 411
Venice, Florida 94292**

Address of the issuer's principal place of business:

Same as principal executive office

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

No

2) Security Information

Transfer Agent

Name: **ClearTrust, LLC**
Phone: **(813) 235-4490**
Email: **inbox@cleartrusttransfer.com**
Address: **16540 Pointe Village, Suite 210, Lutz, Florida 33558**

Publicly Quoted or Traded Securities:

Trading symbol:	LVCE
Exact title and class of securities outstanding:	Common Stock
CUSIP:	53814W104
Par or stated value:	\$0.001
Total shares authorized:	100,000,000 as of December 31, 2023
Total shares outstanding:	61,590,398 as of March 25, 2025
Total number of shareholders of record:	384 as of March 25, 2025

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

Exact title and class of security:	Convertible Series A Preferred Stock
Par or stated value:	\$0.001
Total shares authorized:	50,000,000 as of December 31, 2024
Total shares outstanding:	27,000,000 as of December 31, 2024
Number of shareholders of record:	3

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 common stock has one vote per share.

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

The preferred stock has voting rights of 100 votes per share. It has no liquidation or conversion rights.

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

No other material rights.

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 for the two most recently completed fiscal years and any subsequent period.

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Yes

Shares Outstanding Opening Balance								
Date: 1/1/2024		Common: 50,875,398						
		Preferred: 27,000,000						
Date of Transaction	Transaction type	Number of Shares Issued (or Cancelled)	Class of Securities	\$ per Share at Issuance	Were shares issued at a discount to market price at the time of issuance?	Individual/Entity shares were Issued to	Reason for share issuance (e.g. for cash or debt conversion or nature of services provided)	Restricted or Unrestricted as of this filing
8/26/2024	new issuance	35,000	common	0.345	NO	DIANE RAE	employee bonus	Restricted
8/26/2024	new issuance	25,000	common	0.345	NO	TYLER GRADY	employee bonus	Restricted
8/26/2024	new issuance	25,000	common	0.345	NO	RYAN CALLAHAN	employee bonus	Restricted
8/26/2024	new issuance	365,000	common	0.345	NO	KARLA MOELLER	employee bonus	Restricted
8/26/2024	new issuance	365,000	common	0.345	NO	PRIYA CRANE	employee bonus	Restricted
8/26/2024	new issuance	25,000	common	0.345	NO	ALICIA SPRAGUE	employee bonus	Restricted
8/26/2024	new issuance	10,000	common	0.345	NO	CINDY PEDRO	employee bonus	Restricted
8/26/2024	new issuance	10,000	common	0.345	NO	CRISTAN ORT	employee bonus	Restricted
8/26/2024	new issuance	25,000	common	0.345	NO	HEIDI HENRIKSON	employee bonus	Restricted
8/26/2024	new issuance	25,000	common	0.345	NO	ANITA FREEMAN	employee bonus	Restricted
8/26/2024	new issuance	25,000	common	0.345	NO	LUCYHELENA SOMARRIBA	employee bonus	Restricted
8/26/2024	new issuance	25,000	common	0.345	NO	ABIGAIL ADAMS	employee bonus	Restricted
8/26/2024	new issuance	10,000	common	0.345	NO	SUSANA SIMONETTA	employee bonus	Restricted
8/26/2024	new issuance	325,000	common	0.345	NO	MET FLORIDA	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	AKITA WRIGHT	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	AARON ANDERSON	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	AALIYAH COLE	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	AVRIL SHAW	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	CESINA OSBOURNE	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	CLIFTON HEAVEN	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	DANIELLE BERTRAM	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	JAMIE LOU SANDERS	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	JESSICA ALBANES	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	JULENE ROSE-HEAVEN	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	KADEJHA RAYGEAN ANDERSON	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	KAYLA GRIFFITHS	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	KENESHA SMART	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	KENIEL BUDDLE	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	KIMOLA KNIGHT	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	SHAMARA BINNS	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	SHANNA MELANIE EMILECA	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	SHADAY YOUNG	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	SHANNEL CAMERON	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	TIFFANY DAVIS	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	THRESA RHOOMS	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	VENESSA FENTON	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	WAYNE ANDERSON	employee bonus	Restricted
8/26/2024	new issuance	4,000	common	0.345	NO	XAVIER BANTON	employee bonus	Restricted
8/26/2024	new issuance	200,000	common	0.345	NO	MARK PAPE	employee bonus	Restricted
8/26/2024	new issuance	60,000	common	0.250	NO	MICHAEL F STONE, TRUSTEE	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	100,000	common	0.250	NO	KEN FROMER	debt inducement-convertible notes	Restricted

8/26/2024	new issuance	200,000	common	0.250	NO	THEODORE L UNKEL	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	400,000	common	0.250	NO	THOMAS R & JENNIFER E FITZGERALD JTWROS	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	50,000	common	0.250	NO	SCOTT KIMCHE	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	30,000	common	0.250	NO	KCARTER RD LLC	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	40,000	common	0.250	NO	MICHAEL GAUTIER	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	40,000	common	0.250	NO	DENNIS JORDAN	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	40,000	common	0.250	NO	CRANE TRUST 1/15/15	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	15,000	common	0.250	NO	PAREENA BILKOO	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	15,000	common	0.250	NO	ANMOLE BILKOO	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	50,000	common	0.250	NO	ALAN FINKLESTEIN	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	16,000	common	0.250	NO	MICHELLE BROWN	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	5,000	common	0.250	NO	JAMES G CARVER	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	50,000	common	0.250	NO	ALAN SCOTT CARVER	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	40,000	common	0.250	NO	ROBERT & DAWNMARIE LEE	debt inducement-convertible notes	Restricted
8/26/2024	new issuance	180,000	common	0.167	NO	MICHAEL F STONE, TRUSTEE	debt inducement-convertible notes	Restricted
9/27/2024	new issuance	4,000,000	common	0.200	NO	Bonnie Stewart	stock subscription agreement dated 9/12/24	Restricted
9/27/2024	new issuance	1,000,000	common	0.334	NO	Lynn Brigman	Consulting agreement dated 9/10/24	Restricted
9/27/2024	new issuance	480,000	common	0.500	NO	THOMAS R & JENNIFER E FITZGERALD JTWROS	Conversion of participation part of convertible debt consulting agreement dated 2/2/24	Restricted
9/27/2024	new issuance	400,000	common	0.500	NO	Tom Fitzgerald	consulting agreement dated 2/2/24	Restricted
9/27/2024	new issuance	1,000,000	common	0.200	NO	THOMAS R & JENNIFER E FITZGERALD JTWROS	Stock subscription dated 9/17/2024	Restricted
9/27/2024	new issuance	250,000	common	0.200	NO	Ken Fromer	stock subscription agreement dated 9/16/24	Restricted
9/27/2024	new issuance	100,000	common	0.620	NO	Aware Capital Consultants, Inc.	consulting agreement dated 6/3/024	Restricted
9/27/2024	new issuance	75,000	common	0.500	NO	Jeff Greene	debt inducement for loan #2 dated 3/1/24	Restricted
9/27/2024	new issuance	100,000	common	0.300	NO	SCOTT KIMCHE	Consulting agreement dated 9/23/2024	Restricted
11/26/2024	new issuance	388,000	common	0.280	NO	Tim Topp	settlement agreement	Restricted

Shares Outstanding Balance at End of Period	
Date:	12/31/2024
	Common: 61,590,398
	Preferred: 27,000,000

Roll Forward of Common Stock	
beginning 1/1/24	50,875,398
issued in 2024	10,715,000
balance at 12/31/24	61,590,398

NOTE: The following are the control persons for the corporate shareholders listed above:

Shareholder

Aware Capital Consultants, Inc,
Met Florida

Control Person

David Lefkowitz
Will Decatur

Shares Outstanding Opening Balance

Date: 1/1/2023 Common: 44,534,198
Preferred: 27,000,000

Date of Transaction	Transaction type	Number of Shares Issued (or Cancelled)	Class of Securities	Value of shares issued (\$ per Share) at Issuance	Were shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/Entity shares were Issued to	Reason for share issuance (e.g. for cash or debt conversion) OR nature of services provided	Restricted or Unrestricted as of this filing	Exemption or Registration Type
1/10/2023	new issuance	150,000	common	1.00	NO	VINCE SCOTT	Issued for Cash	Restricted	REG-A QUALIFIED 07/06/2022 FILE 024-11914
1/10/2023	new issuance	100,000	common	1.00	NO	PETER L HAGLIN & JENNIFER L HAGLIN	Issued for Cash	Restricted	REG-A QUALIFIED 07/06/2022 FILE 024-11914
1/10/2023	new issuance	11,000	common	1.00	NO	MICHAEL STONE	Issued for Cash	Restricted	REG-A QUALIFIED 07/06/2022 FILE 024-11914
1/10/2023	new issuance	5,000	common	1.00	NO	CARLY HAWKINS	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	RANAE BALDI	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	REGINA GAPIN	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	ANTONNIA VEROST	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	JESSICA BRUNETTE	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	CHRIS OLSON	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	ROBERT KEENAN	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	VANESSA CARUSONE	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	REMY REYNOLDS	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	GLORIA BURNETTE	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	ARMAND KOLBERG	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	LOREN WOOD	severance	Restricted	
1/10/2023	new issuance	5,000	common	1.00	NO	ABIGAIL ADAMS	severance	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	DENISE FLYNN	employee - bonus	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	HEIDI HENRIKSON	employee - bonus	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	KARLA MOELLER	employee - bonus	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	AUDREY TALARICO	employee - bonus	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	DIANE RAE	employee - bonus	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	MARCOS ALFANO	employee - bonus	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	TODD LINDQUIST	employee - bonus	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	RYAN CALLAHAN	employee - bonus	Restricted	
1/10/2023	new issuance	52,000	common	1.00	NO	PRIYA CRANE	employee - bonus	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	KIMBERLY ENGLISH	employee - bonus	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	DEB HOUCK	employee - bonus	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	IAN NOKES	employee - bonus	Restricted	
1/10/2023	new issuance	1,000	common	1.00	NO	ALICIA SPRAGUE	employee - bonus	Restricted	
1/10/2023	new issuance	25,000	common	1.00	NO	THORSON ROCKWELL	agreement	Restricted	

1/10/2023	new issuance	100,000	common	1.00	NO	BEVERLY CARTER	consultant	Restricted
1/10/2023	new issuance	45,000	common	1.00	NO	MATTHEW GERNSTADT	consultant	Restricted
1/10/2023	new issuance	300,000	common	1.00	NO	JEFF GREENE	debt inducement	Restricted
1/10/2023	new issuance	145,000	common	1.00	NO	JEFF UTZ	consultant	Restricted
1/10/2023	new issuance	50,000	common	1.00	NO	CHARLES PETITFRERE	employee	Restricted
1/10/2023	new issuance	11,000	common	1.00	NO	MICHAEL STONE	conversion	Restricted
1/10/2023	new issuance	1,000,000	common	1.00	NO	ROBERT SIMPSON III	debt inducement	Restricted
1/10/2023	new issuance	200,000	common	1.00	NO	JOHN ELWIN	employee	Restricted
1/10/2023	new issuance	200,000	common	1.00	NO	MARK PAPE	employee	Restricted
1/10/2023	new issuance	500	common	1.00	NO	EMMA SMITH	employee - bonus	Restricted
4/26/2023	new issuance	25,000	common	1.00	NO	DAVID LANTER	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	50,000	common	1.00	NO	F&H INVESTMENTS L.P.	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	25,000	common	1.00	NO	FRED GUMBINNER TTEE	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	30,000	common	1.00	NO	JAY MAGENHEIM	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	45,000	common	1.00	NO	LAWRENCE GRAY	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	50,000	common	1.00	NO	PARNON INVESTMENTS LLC	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	50,000	common	1.00	NO	MARK GOLDSTEIN	consultant-this is fee for bundling the GEM 2023 notes	Restricted
4/26/2023	new issuance	50,000	common	1.00	NO	RAMON GARCIA	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	50,000	common	1.00	NO	RICHARD SILVA	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	25,000	common	1.00	NO	RUSSELL H ROSENTHAL	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	25,000	common	1.00	NO	STEPHEN MILLER	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	25,000	common	1.00	NO	WESLEY ROSENTHAL	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	25,000	common	1.00	NO	JERRY POPE	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	50,000	common	1.00	NO	JADAY INVESTMENTS LLC	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	25,000	common	1.00	NO	RICHARD ROSENTHAL	debt inducement for the GEM 2023 notes payable	Restricted
4/26/2023	new issuance	200,000	common	1.00	NO	MEYERS INVESTMENTS FAMILY LP	consultant	Restricted
4/26/2023	new issuance	11,000	common	1.00	NO	ALICIA SPRAGUE	1 year anniversary shares	Restricted
4/26/2023	new issuance	11,000	common	1.00	NO	AUDREY TALARICO	90 days + 1 year anniversary	Restricted
4/26/2023	new issuance	11,000	common	1.00	NO	DENISE FLYNN	90 days + 1 year anniversary	Restricted
4/26/2023	new issuance	1,000	common	1.00	NO	DIANE RAE	90 days shares	Restricted

4/26/2023	new issuance	12,000	common	1.00	NO	HEIDI HENRIKSON	90 days shares (we owe her 1 from previous) plus 1 year	Restricted
4/26/2023	new issuance	10,000	common	1.00	NO	REMY REYNOLDS	1 year anniversary shares	Restricted
4/26/2023	new issuance	11,000	common	1.00	NO	RYAN CALLAHAN	90 days + 1 year anniversary	Restricted
4/26/2023	new issuance	11,000	common	1.00	NO	TODD LINDQUIST	90 days + 1 year anniversary	Restricted
4/26/2023	new issuance	11,000	common	1.00	NO	DEB HOUCK	90 days + 1 year anniversary	Restricted
4/26/2023	new issuance	213,000	common	1.00	NO	KARLA MOELLER	90 days + 2 years + 1 year	Restricted
4/26/2023	new issuance	197,000	common	1.00	NO	PRIYA CRANE	90 days + 2 years + 1 year	Restricted
4/26/2023	new issuance	11,000	common	1.00	NO	KIMBERLY ENGLISH	90 days + 1 year anniversary	Restricted
4/26/2023	new issuance	11,000	common	1.00	NO	IAN NOKES	90 days shares	Restricted
4/26/2023	new issuance	1,000	common	1.00	NO	MARCOS ALFANO	90 days shares	Restricted
4/26/2023	new issuance	2,000	common	1.00	NO	RAGUEL JORDAN	Bonus	Restricted
4/26/2023	new issuance	2,000	common	1.00	NO	JESSICA ALBANES	Bonus	Restricted
4/26/2023	new issuance	2,000	common	1.00	NO	JAMIE LOU SANDERS	Bonus	Restricted
4/26/2023	new issuance	2,000	common	1.00	NO	KADEJHA RAYGEAN ANDERSON	Bonus	Restricted
4/26/2023	new issuance	2,000	common	1.00	NO	SHANNA MELANIE EMILECA	Bonus	Restricted
4/26/2023	new issuance	2,000	common	1.00	NO	KAYLA GRIFFITHS	Bonus	Restricted
4/26/2023	new issuance	2,000	common	1.00	NO	THARYANA GUZMAN	Bonus	Restricted
4/26/2023	new issuance	2,000	common	1.00	NO	SUSAN ASHLEY SINSHEIMER	Bonus	Restricted
4/26/2023	new issuance	200,000	common	1.00	NO	CHARLES PETITFRERE	Bonus	Restricted
4/26/2023	new issuance	100,000	common	1.00	NO	ROBERT SIMPSON III	debt extension - since debt overdue, this is bonus	Restricted
4/26/2023	new issuance	50,000	common	1.00	NO	HECTOR CINTRON MORALES	Consultant	Restricted
4/26/2023	new issuance	208,000	common	1.00	NO	MET FLORIDA	Employee	Restricted
4/26/2023	new issuance	200,000	common	1.00	NO	MARK PAPE	Employee	Restricted
5/23/2023	new issuance	(300,000)	common	1.00	NO	TIM TOPP	treasury repurchase	Restricted
5/23/2023	new issuance	65,000	common	1.00	NO	Craig Brewer	transferred from Tim Topp - purchased for cash	Restricted
5/23/2023	new issuance	50,000	common	1.00	NO	Mathew Jamison	transferred from Tim Topp - purchased for cash	Restricted
5/23/2023	new issuance	18,000	common	1.00	NO	Leah Simon	transferred from Tim Topp - purchased for cash	Restricted
5/23/2023	new issuance	10,000	common	1.00	NO	Stephanie Healey	transferred from Tim Topp - purchased for cash	Restricted
5/23/2023	new issuance	5,000	common	1.00	NO	Brittany Paul	transferred from Tim Topp - purchased for cash	Restricted
5/23/2023	new issuance	5,000	common	1.00	NO	Beth Wright-Archer	transferred from Tim Topp - purchased for cash	Restricted
5/23/2023	new issuance	2,000	common	1.00	NO	Heidi Henrikson	transferred from Tim Topp - purchased for cash	Restricted
5/23/2023	new issuance	500	common	1.00	NO	Riley Mott	transferred from Tim Topp - purchased for cash	Restricted
5/23/2023	new issuance	500	common	1.00	NO	Hayden Cormier	transferred from Tim Topp - purchased for cash	Restricted

5/23/2023	new issuance	500	common	1.00	NO	Callie Cormier	transferred from Tim Topp - purchased for cash	Restricted	
5/23/2023	new issuance	250	common	1.00	NO	Emmeline Sims	transferred from Tim Topp - purchased for cash	Restricted	
5/23/2023	new issuance	250	common	1.00	NO	Amelia Sims	transferred from Tim Topp - purchased for cash	Restricted	
5/23/2023	new issuance	100,000	common	1.00	NO	ROBERT SIMPSON III	debt extension - since debt overdue, this is bonus	Restricted	
11/29/2023	new issuance	25,000	common	1.00	NO	F & H Investments LP	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	12,500	common	1.00	NO	Rusty Rosenthal	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	12,500	common	1.00	NO	Richard Rosenthal	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	12,500	common	1.00	NO	Wesley Rosenthal	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	25,000	common	1.00	NO	Ramon Garcia	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	25,000	common	1.00	NO	Parnon Investments LLC	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	25,000	common	1.00	NO	Jim Day	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	15,000	common	1.00	NO	Jay Magenheim	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	12,500	common	1.00	NO	Fred Gumbinner	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	12,500	common	1.00	NO	Jerry Pope	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	12,500	common	1.00	NO	Stephen Miller PSP	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	25,000	common	1.00	NO	Richard Silva	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	22,500	common	1.00	NO	Larry Gray	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	12,500	common	1.00	NO	David Lanter	debt extension bonus-GEM 2023 notes payable	Restricted	
11/29/2023	new issuance	15,000	common	1.00	NO	Restated Michael F Stone convertible debt	debt inducement	Restricted	
11/29/2023	new issuance	100,000	common	1.00	NO	Erin Botsford	Issued for Cash	Restricted	Purchase - Reg A JACK CONFIRM
11/29/2023	new issuance	3,200	common	1.00	NO	Nancy Sloan	Issued for Cash	Restricted	Purchase - Reg A JACK CONFIRM
11/29/2023	new issuance	500	common	1.00	NO	Marlain Keller	Issued for Cash	Restricted	Purchase - Reg A JACK CONFIRM
11/29/2023	new issuance	10,000	common	1.00	NO	Yacoub Aldoub (cash recd 7/31/23)	Issued for Cash	Restricted	Purchase - Reg D - Restricted
11/29/2023	new issuance	10,000	common	1.00	NO	Yacoub Aldoub (see consulting agmt 7/23/23)	consultant	Restricted	
11/29/2023	new issuance	10,000	common	1.00	NO	Talal Aldoub (see above cash recd 6/5/23)	Issued for Cash	Restricted	Purchase - Reg D - Restricted
11/29/2023	new issuance	10,000	common	1.00	NO	Talal Aldoub (see consulting agmt 5/26/23)	consultant	Restricted	
11/29/2023	new issuance	50,000	common	1.00	NO	Ken Fromer (cash recd 9/25/23)	Issued for Cash	Restricted	Purchase - Reg D - Restricted
11/29/2023	new issuance	11,000	common	1.00	NO	Abigail Adams	employee bonus	Restricted	

11/29/2023	new issuance	1,000	common	1.00	NO	Alicia Sprague	employee bonus	Restricted
11/29/2023	new issuance	11,000	common	1.00	NO	Anita Freeman	employee bonus	Restricted
11/29/2023	new issuance	11,000	common	1.00	NO	Antonnia Verost	employee bonus	Restricted
11/29/2023	new issuance	1,000	common	1.00	NO	Cindy Pedro	employee bonus	Restricted
11/29/2023	new issuance	1,000	common	1.00	NO	Cristan Ort	employee bonus	Restricted
11/29/2023	new issuance	11,000	common	1.00	NO	Debbie Wilkie	employee bonus	Restricted
11/29/2023	new issuance	11,000	common	1.00	NO	Diamond Thompson	employee bonus	Restricted
11/29/2023	new issuance	1,000	common	1.00	NO	Diane Rae	employee bonus	Restricted
11/29/2023	new issuance	1,000	common	1.00	NO	Heidi Henrikson	employee bonus	Restricted
11/29/2023	new issuance	11,000	common	1.00	NO	Jamie Feldmann	employee bonus	Restricted
11/29/2023	new issuance	11,000	common	1.00	NO	Joshua Oberholtzer	employee bonus	Restricted
11/29/2023	new issuance	26,000	common	1.00	NO	Kimberly English-Moritz	employee bonus	Restricted
11/29/2023	new issuance	11,000	common	1.00	NO	Lucyhelena Somarriba	employee bonus	Restricted
11/29/2023	new issuance	11,000	common	1.00	NO	Regina Gapin	employee bonus	Restricted
11/29/2023	new issuance	1,000	common	1.00	NO	Remy Reynolds	employee bonus	Restricted
11/29/2023	new issuance	1,000	common	1.00	NO	Ryan Callahan	employee bonus	Restricted
11/29/2023	new issuance	1,000	common	1.00	NO	Susana Simonetta	employee bonus	Restricted
11/29/2023	new issuance	11,000	common	1.00	NO	Tyler Grady	employee bonus	Restricted
11/29/2023	new issuance	600,000	common	1.00	NO	Mark Pape	employee bonus	Restricted
11/29/2023	new issuance	200,000	common	1.00	NO	Aeterno Inc.	consultant	Restricted
11/29/2023	new issuance	25,000	common	1.00	NO	Usman Ali	consultant	Restricted
11/29/2023	new issuance	50,000	common	1.00	NO	Stacie Herman	consultant	Restricted
11/17/2023	new issuance	94,000	common	1.00	NO	Timothy Topp	debt inducement	Restricted
4/26/2023	new issuance	100,000	common	1.00	NO	PETER L HAGLIN & JENNIFER L HAGLIN	debt inducement	Restricted
4/26/2023	new issuance	150,000	common	1.00	NO	VINCE SCOTT	debt inducement	Restricted
5/23/2023	new issuance	50,000	common	1.00	NO	RAMON GARCIA	debt extension	Restricted

Shares Outstanding Balance at End of Period

Date: 12/31/2023 Common: 50,875,398
Preferred: 27,000,000

44,534,198 Beginning balance at 1/1/2023
6,341,200 issued in 2023
50,875,398 balance at end of year 12/31/2023

NOTE: The following are the control persons for the corporate shareholders listed above:

Shareholder

Weis Choice LLC
Utz Ventures LLC
Parnon Investments LLC
F&H Investments LP
Kingston Partners LLC
JJB Holdings LLP
AB Resources

Control Person

Steve Weis
Jeffrey Utz
Hank Bowis
Mark Goldstein
Ken Fromer
Julie Brannelly
Alfred Longtin

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' equity securities;

Yes

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.)
CONVERTIBLE DEBT							
6/16/2023	450,000.00	300,000.00	150,000.00	6/16/2024	convertible at 1/sh per \$1 of total P&I	Jacob Wiznitzer (Note #1)	Loan
6/16/2023	-	30,000.00	15,000.00	6/16/2024	convertible at 1/sh per \$1 of total P&I	Michael Stone	Loan
9/15/2023	300,000.00	200,000.00	100,000.00	9/14/2024	convertible at 1/sh per \$1 of total P&I	Jacob Wiznitzer (Note #2)	Loan
2/1/2024	57,587.67	30,000.00	39,300.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Michael F. Stone	Loan
7/1/2024	86,381.51	45,000.00	56,700.00	12/31/2024	convertible at 4/shs per \$1 of total P&I	Michael F. Stone	Loan
2/1/2024	95,979.45	50,000.00	65,500.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Fromer, Ken	Loan
2/1/2024	191,958.90	100,000.00	131,000.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Unkel, Theodore	Loan
2/1/2024	383,917.81	200,000.00	262,000.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Fitzgerald, Tom and Jennifer	Loan
2/1/2024	47,989.73	25,000.00	32,750.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Kimche, Scott	Loan
2/1/2024	28,793.84	15,000.00	19,650.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Kcarter RD LLC	Loan
2/1/2024	38,391.78	20,000.00	26,200.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Gautier, Michael	Loan
2/1/2024	38,391.78	20,000.00	26,200.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Jordan, Dennis	Loan
2/1/2024	38,391.78	20,000.00	26,200.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	The Crane Trust	Loan
2/1/2024	28,793.84	15,000.00	19,650.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Bilkoo, Pareena and Anmole	Loan
2/1/2024	47,989.73	25,000.00	32,750.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Finklestein, Alan	Loan
2/1/2024	15,356.71	8,000.00	10,480.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Brown, Michelle	Loan
2/1/2024	4,798.97	2,500.00	3,275.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Carver, James G.	Loan
2/1/2024	47,989.73	25,000.00	32,750.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Carver, Alan Scott	Loan
2/1/2024	38,391.78	20,000.00	26,200.00	12/31/2024	convertible at 2/shs per \$1 of total P&I	Lee, Robert and DawnMarie	Loan
	<u>1,191,105.00</u>	<u>620,500.00</u>	<u>810,605.00</u>				
4/1/2024	225,000.00	150,000.00	75,000.00	3/31/2025	convertible at 1/sh per \$1 of total P&I	Jacob Wiznitzer (Note #3)	Loan
	<u>2,166,105.00</u>	Total Convertible Debt at:		12/31/2024			
PROMISSORY NOTES							
11/9/2022	-	1,000,000.00	150,000.00	12/30/2023	Not convertible	Robert Simpson III	Loan
4/6/2023	-	90,000.00	15,000.00	4/30/2023	Not convertible	Tim Topp-treasury share purchase	Loan
12/28/2022	668,300.00	500,000.00	190,000.00	3/31/2025	Not convertible	GEM, LLC-2023 - Mark Goldstein is responsible	Loan
12/6/2023	358,497.89	383,367.66	231,000.00	7/31/2024	Not convertible	Clearview Financing #1-Mohid Faradi is responsible	Loan
11/8/2023	345,000.00	300,000.00	45,000.00	3/31/2023	Not convertible	Jeff Greene	Loan
2/28/2024	59,152.28	130,000.00	57,200.00	10/15/2024	Not convertible	Clearview Financing #2-Mohid Faradi is responsible	Loan
3/15/2024	76,250.00	75,000.00	11,250.00	3/15/2025	Not convertible	Jeff Greene	Loan
6/12/2024	-	50,000.00	23,000.00	12/31/2024	Not convertible	Spartan Capital-Daniel Cahill is responsible	Loan
9/3/2024	64,357.00	90,000.00	41,400.00	3/31/2025	Not convertible	Spartan Capital-Daniel Cahill is responsible	Loan
	<u>1,571,557.17</u>	Total Promissory Debt at:		12/31/2024			

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. 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")

LiveCare is seeking to become the market leader in remote patient monitoring telemedicine by combining the necessary testing hardware with a more impactful resource: regular guidance and encouragement from competent, friendly medical professionals. The Company recruits doctors, certified diabetes educators (CDEs), registered nurses, nursing assistants, nutritionists, and even physical therapists. LiveCare is filling the need for personalized healthcare by trained personnel and a platform that regularly and directly communicates with the patient.

- B. Describe any subsidiaries, parents, or affiliated companies.

During 2020, LiveCare management entered into a Management Service Agreement ("MSA") with a related party medical service provider, LiveCare FL, an affiliate entity with common management. The MSA requires LiveCare to render business development, marketing, management and administrative services management for LiveCare FL's telemedicine and remote patient monitoring business in exchange for a 95% fixed fee of amounts collected. Under the MSA, LiveCare is to reimburse or provide all of the personnel and external firms for management of billing and collections functions for its remote diabetic monitoring business.

LiveCare has determined it is the primary beneficiary of LiveCare FL due to the MSA terms granting LiveCare management the power to manage and make decisions that affect LiveCare FL operations as well as LiveCare being the primary beneficiary of the LiveCare FL as a result of its requirement to cover expenses and absorb losses of LiveCare FL's only business activity.

As the primary beneficiary of LiveCare FL, LiveCare consolidates LiveCare FL in the consolidated financial statements and all intercompany balances and transactions are eliminated. We evaluate our relationship with LiveCare FL on an ongoing basis to ensure that we continue to be the primary beneficiary.

Assets of LiveCare FL included in the consolidated balance sheet as of December 31, 2024, consisted of cash totaling \$430 after elimination of intercompany transactions and balances and there were no outstanding liabilities. Revenues for LiveCare FL for the year ended December 31, 2024, were \$1,169,043 and all expenses of LiveCare FL were incurred by and paid by LiveCare as provided by the MSA.

- C. Describe the issuers' principal products or services, and their markets

LiveCare provides remote patient monitoring telemedicine, providing personalized healthcare by trained personnel through a platform that regularly and directly communicates with the patient.

Currently, the Company's services are offered in the states of Alabama, Arizona, California, Colorado, Delaware, Florida, Georgia, Kansas, Idaho, Indiana, Iowa, Louisiana, Michigan, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Dakota, Ohio, Rhode Island, Tennessee, Texas, Utah, Virginia, West Virginia and Wyoming.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

LiveCare has operating leases for a total of approximately 4,400 square feet of executive office space in Venice, Florida. The leases are for one year with two additional one year lease options that management does not presently intend to utilize. The leases call for total monthly lease payments of \$12,200.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. 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. 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 investors 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	Residential Address	Number of Shares Owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control persons if a corporate entity
James J. Dalton	Director, Chairman	3133 Mountain Ridge Ct Park City UT 84060-6944	4,500,000 9,000,000	Common Preferred	7.3% 33.3%	
Cornelius Max Rockwell	Director and CEO	158 Medici Terrace Nokomis FL 34275	4,470,000 9,000,000	Common Preferred	7.3% 33.3%	
JJB Holdings, LLC	Director	1378 E. Martha Dunyon Cir. Draper UT 84020	4,000,000 9,000,000	Common Preferred	6.5% 33.3%	Julie Brannelly
Fera Al Kandari	Director	House #3, House #3 Yarmouk 10001 Kuwait	2,630,000	Common	4.3%	
K. Jeffery Greene	Director	17 Elk Trail Asheville NC 28804	3,387,000	Common	5.5%	
Bonnie Stewart	Shareholder	863 Robin Lane Sebastian FL 32958	4,400,000	Common	7.1%	

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as 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 of conviction in a criminal proceeding or pleas agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No

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, or banking activities;

No

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, or 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;

No

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

No

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.

No

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.

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.

MATERIAL LEGAL SETTLEMENT: On or about March 30, 2023, we received a civil investigation demand ("CID") from the U.S. Attorney's Office for the Middle District of Florida (the "Department of Justice") pursuant to the False Claims Act, 31 U.S.C. §§ 3729-3733 in connection with a False Claims Act investigation. The investigation concerns a wide variety of subject matters, including certain past billing practices that LiveCare engaged in providing telemedicine monitoring and health coaching services reimbursed by federal health care programs.

On December 4, 2024, the Company executed a settlement agreement (the "Settlement Agreement") with Department of Justice ("DOJ") and received the final approval of the U.S. Department of Health and Human Services Office of the Inspector General ("HHS-OIG"). The Settlement Agreement resolved claims brought by relators under the qui tam provisions of the False Claims Act concerning the Company's marketing practices. The Settlement Agreement also resolved the issues contained in a July 2023 voluntary self-disclosure made by LiveCare to the HHS-OIG concerning its past marketing practices. Pursuant to the settlement, LiveCare has agreed to pay up to \$4.9 million to the Federal government over a period of five years. By settling these claims, LiveCare made no admission of liability.

The Settlement Agreement fully and finally resolved the previously disclosed DOJ investigation and any ancillary claims that have been pending since 2022. Pursuant to the Settlement Agreement, the Company agreed to remit to the government \$4.5 million plus the relator attorney fees of approximately \$102,000, interest of approximately \$564,000 and, potentially, five percent of its gross revenue of the prior year that exceeds a threshold of \$7.5 million commencing in 2024 for a period of 5 years. LiveCare did not admit engaging in any illegal conduct and has agreed to the Settlement Amount without any admission of wrongdoing in order to resolve the allegations and to avoid the uncertainty and expense of protracted litigation. HHS-OIG did not require ongoing compliance monitoring of LiveCare based on the Company's voluntary self-disclosure regarding its billing practices in July 2023.

The Settlement Agreement provided for the payment of the \$4,500,000 amount over several years. Specifically, the specified payments were \$250,000 in early 2025, \$1.0 million by August 31, 2025, \$1.0 million by August 31 of each of the years 2026, 2027 and 2028, and finally \$250,000 by August 31, 2029. Also, subsequent to each of the years 2024 through 2028, the Company would additionally pay five percent of its gross revenue of that year that exceeds a threshold of \$7.5 million. The Company did not reach this \$7.5 million threshold for the 2024 period. In late 2024, the Company made the first payment of \$152,740, consisting of \$125,000 required principal amount due plus \$27,740 interest. Accordingly, remaining \$4,500,000 balance is reported as \$1,250,000 for the amount due in 2025 and \$3,250,00 for the portion of the settlement that is due in periods more than twelve months after December 31, 2024.

DEBT AGREEMENTS: While we enter into debt agreements in good faith, as a start-up company with operations that have not yet achieved stable profitability, we have not always been able to make principal and interest payments in the amounts or on the dates required in the debt agreements. In those situations, we work closely with the lenders to re-negotiate the terms of the debt or to obtain debt extensions or deferrals. Generally, the lenders have been willing to cooperate with us in return for additional compensation in the form of grants of our common stock or increased interest rates. However, that may not always be the case in the future and we can provide no assurance that we will be able to avoid litigation with lenders resulting from our inability to make debt service payments on a timely basis.

VENDOR DISPUTES: LiveCare is currently in negotiations with some previous vendors regarding disputes over outstanding balances due. We have cancelled the services of those vendors and do not believe that we owe the amounts represented by those vendors. We do not expect to pay more than has been recorded as accounts payable and previously expensed.

8) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: **Amber Barger**
Address 1: 3901 Arlington Heights Blvd., Suite 200
Address 2: Arlington TX 76018
Phone: (682) 888-1748
Email: abarger@mablawoffice.com

Accountant or Auditor

Name: **NONE**
Address 1:
Address 2:
Phone:
Email:

Investor Relations

Name: **NONE**
Firm:
Address 1:
Address 2:
Phone:
Email:

All other means of Investor Communications: **NONE**

X (Twitter):
Discord:
LinkedIn:
Facebook:
Other:

Other Service Providers

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: **NONE**
Firm:
Nature of Services:
Address 1:
Address 2:
Phone:
Email:

9) Disclosure and Financial Information

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

Name: **Mark Pape**
Title: **Senior Accountant**
Relationship to Issuer: **Employee**

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

U.S. GAAP

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

Name: **Mark Pape**
Title: **Senior Accountant**
Relationship to Issuer: **Employee**

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

Mr. Pape is a licensed CPA (Texas certificate #022149) in good standing.

Provide the financial statements described below for the most recent fiscal year or quarter.

- Audit letter, if audited;
- Balance sheet;
- Statement of income;
- Statement of cash flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- Financial notes

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial 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, C. Max Rockwell, certify that:

1. I have reviewed this Disclosure Statement of LiveCare, 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.

Date:

/s/ [C. Max Rockwell]

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

Principal Financial Officer:

I, C. Max Rockwell, certify that:

1. I have reviewed this Disclosure Statement of LiveCare, 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.

Date:

/s/ [C. Max Rockwell]

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

LIVECARE, INC.

Financial Statements

**For the Fiscal Year Ended
December 31, 2024**

(Unaudited)

LIVECARE, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	As Of	
	December 31, 2024 <u>(Unaudited)</u>	December 31, 2023 <u>(Unaudited)</u>
ASSETS		
Current Assets:		
Cash	\$ 221,326	\$ 97,008
Accounts receivable	1,527,819	482,445
Receivable from officers and directors	119,444	317,689
Prepaid expenses and deposits	<u>31,442</u>	<u>26,403</u>
Total current assets	<u>1,900,031</u>	<u>923,545</u>
Long-term Assets:		
Software and software development, net	—	18,674
Furniture, fixtures, and equipment, net	<u>11,089</u>	<u>10,694</u>
Total long-term assets, net	<u>11,089</u>	<u>29,368</u>
Total Assets	<u>\$ 1,911,120</u>	<u>\$ 952,913</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,476,306	\$ 1,156,788
Accrued wages, related party	183,714	128,510
Common stock shares to be issued	1,165,291	199,167
Settlement - current portion	1,255,000	—
Convertible notes, net, current portion	1,695,901	582,903
Notes payable and other debt, net, current portion	<u>1,356,680</u>	<u>1,767,481</u>
Total current liabilities	<u>7,132,892</u>	<u>3,834,849</u>
Long-term Liabilities:		
Equipment leases	14,284	—
Settlement - long-term portion	3,250,000	—
Notes payable and other debt, net, long-term portion	<u>—</u>	<u>140,645</u>
Total long-term liabilities	<u>3,264,284</u>	<u>140,645</u>
Stockholders' Equity (Deficit):		
Preferred stock; \$0.001 par value, 50,000,000 shares authorized, 27,000,000 shares issued and outstanding	27,000	27,000
Common stock; \$0.001 par value, 100,000,000 shares authorized, 61,590,398 and 50,875,398 shares issued and outstanding, respectively	61,590	50,875
Additional paid-in capital	36,844,041	33,925,971
Accumulated deficit	<u>(45,418,687)</u>	<u>(37,026,427)</u>
Total stockholders' equity (deficit)	<u>(8,486,056)</u>	<u>(3,022,581)</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u>\$ 1,911,120</u>	<u>\$ 952,913</u>

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

LIVECARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31,	
	<u>2024</u> (Unaudited)	<u>2023</u> (Unaudited)
Revenues	\$ 7,169,043	\$ 3,827,785
Operating Expenses:		
Cost of revenue	3,502,046	3,245,853
General and administrative	2,269,977	2,332,039
Consulting expense	759,704	679,757
Compensation expense	<u>2,649,278</u>	<u>3,270,994</u>
Total operating expenses	<u>9,181,005</u>	<u>9,528,643</u>
Operating loss	(2,011,962)	(5,700,858)
Other Income (Expense):		
Settlement expense	(4,505,000)	—
Interest income (expense), net	(12,384)	2,751
Debt discount amortization	(415,131)	(803,134)
Original issue discount amortization	(1,182,595)	(355,411)
Depreciation and amortization	(28,734)	(44,213)
Expense of debt conversion and extension	(142,715)	(844,000)
Notes payable settlement loss	(108,640)	(3,127)
Gain (loss) on settlement of notes payable	13,167	300,000
Other income	1,734	6,267
Total other income (expenses)	<u>(6,380,298)</u>	<u>(1,740,867)</u>
Loss before income taxes	(8,392,260)	(7,441,725)
Provision for income taxes	—	—
Net loss	<u>\$ (8,392,260)</u>	<u>\$ (7,441,725)</u>
Basic and diluted loss per common share	<u>\$ (0.16)</u>	<u>\$ (0.15)</u>
Basic and diluted weighted average common stock shares outstanding	<u>50,883,521</u>	<u>48,693,658</u>

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

LIVECARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Twelve Months Ended December 31,	
	2024 (Unaudited)	2023 (Unaudited)
Cash flows from operating activities:		
Net loss	\$ (8,392,260)	\$ (7,441,725)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization of long-term assets	28,734	44,213
Amortization of debt discounts	415,131	803,134
Amortization of original issue discount	1,182,596	355,411
Loss on debt forgiveness	108,640	3,127
Gain on forgiveness of debt	(13,167)	(300,000)
Settlement expense	4,505,000	—
Common stock issued for employee services (non-management)	548,895	1,889,999
Common stock issued for consulting services	626,000	595,000
Common stock to be issued for debt inducement and extension	142,715	844,000
Changes in operating assets and liabilities:		
Accounts receivable	(847,129)	(416,569)
Prepaid assets	(5,039)	(13,440)
Accounts payable	319,518	557,242
Accounts payable, related parties	—	(53,972)
Accrued expenses	55,204	51,027
Net cash used in operating activities	(1,325,162)	(3,082,553)
Cash flows from investing activities:		
Purchase of furniture and fixtures	(10,455)	(1)
Net cash used in investing activities	(10,455)	(1)
Cash flows from financing activities:		
Proceeds from the sale of common stock, net	1,865,000	67,800
Equipment leases	14,284	—
Cash received for issuance of notes payable indebtedness	477,606	340,000
Cash received from the issuance of convertible indebtedness	660,500	580,000
Cash payments on notes payable indebtedness	(1,557,454)	(407,956)
Net cash provided by financing activities	1,459,936	579,844
Net change in cash	124,318	(2,502,710)
Cash, beginning of period	97,008	2,599,718
Cash, end of period	\$ 221,326	\$ 97,008

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

LIVECARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Twelve Months Ended December 31,	
	2024	2023
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 12,828	\$ 21,748
Cash paid for income taxes	\$ —	\$ —
NON-CASH FINANCING ACTIVITIES:		
Common stock issued for debt inducement-new notes payable	\$ 37,500	\$ 47,500
Common stock issued for debt inducement-convertible notes	\$ 317,750	\$ —
Elimination of OID due to debt exchange	\$ 1,750	\$ —
Cancellation of Stock Issuance due to debt exchange	\$ 32,500	\$ —
Increase in original issue discount related to new notes payable	\$ 383,850	\$ 133,500
Increase in original issue discount related to new convertible notes	\$ 885,605	\$ 268,000
Common stock issued for debt reduction-convertible notes	\$ 240,000	\$ —
Common stock issued for debt reduction-notes payable	\$ 108,640	\$ —
Common stock issued for prior year unfulfilled stock subscriptions	\$ —	\$ 103,200
Cancellations of outstanding common stock	\$ —	\$ 143,000
Purchase and re-issuance of common stock	\$ —	\$ 157,000
Exchange of previously issued note payable for convertible debt	\$ 15,000	\$ —
Common stock issued for prior year debt inducement	\$ —	\$ 212,500
Write off of uncollectible subscriptions receivable	\$ —	\$ 2,000
Stock to be issued for debt inducement-new notes payable	\$ —	\$ 7,500
Stock to be issued for debt inducement-new convertible notes	\$ 40,909	\$ 83,334

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

LIVECARE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

	Preferred Stock		Common Stock		Additional	Treasury	Stock	Accumulated	Total
	Shares (Unaudited)	Amount (Unaudited)	Shares (Unaudited)	Amount (Unaudited)	Paid-in Capital (Unaudited)	Stock (Unaudited)	Subscription Receivable (Unaudited)	Deficit (Unaudited)	Stockholders' Equity (Deficit) (Unaudited)
Balance, December 31, 2022	27,000,000	\$ 27,000	47,000,698	\$ 47,001	\$30,312,146	\$ (300,000)	\$ (2,000)	\$ (29,584,702)	\$ 499,445
Common stock issued for:									
Services, non-officer employees	—	—	1,890,000	1,890	1,888,109	—	—	—	1,889,999
Services, consultants	—	—	595,000	595	594,405	—	—	—	595,000
Cash, net	—	—	70,500	70	70,430	—	—	—	70,500
Fulfillment of prior stock purchases	—	—	103,200	103	103,097	—	—	—	103,200
Common stock subscriptions receivable	—	—	—	—	(2,000)	—	2,000	—	—
Grants required by current year debt issuances	—	—	90,000	90	47,410	—	—	—	47,500
Grants required by prior year debt issuances	—	—	425,000	425	212,075	—	—	—	212,500
Notes payable extension and conversion	—	—	844,000	844	843,156	—	—	—	844,000
Cancellations of shares outstanding	—	—	(143,000)	(143)	(142,857)	—	—	—	(143,000)
Shares acquired for reissuance and cancellation	—	—	—	—	—	300,000	—	—	300,000
Net loss for the year ended December 31, 2023	—	—	—	—	—	—	—	(7,441,725)	(7,441,725)
Balance, December 31, 2023	<u>27,000,000</u>	<u>\$ 27,000</u>	<u>50,875,398</u>	<u>\$ 50,875</u>	<u>\$33,925,971</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (37,026,427)</u>	<u>\$ (3,022,581)</u>
Balance, December 31, 2023	<u>27,000,000</u>	<u>\$ 27,000</u>	<u>50,875,398</u>	<u>\$ 50,875</u>	<u>\$33,925,971</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (37,026,427)</u>	<u>\$ (3,022,581)</u>
Common Stock Issued for:									
Consulting services	—	—	1,600,000	1,600	624,400	—	—	—	626,000
Employee services (non-officers)	—	—	1,591,000	1,591	547,304	—	—	—	548,895
Cash	—	—	5,250,000	5,250	1,044,750	—	—	—	1,050,000
Debt reduction-convertible debt	—	—	480,000	480	239,520	—	—	—	240,000
Debt inducement/extension-notes payable	—	—	1,331,000	1,331	316,419	—	—	—	317,750
Debt inducement/extension-convertible debt	—	—	75,000	75	37,425	—	—	—	37,500
Debt reduction settlement-notes payable	—	—	388,000	388	108,252	—	—	—	108,640
Net loss for the year ended December 31, 2024	—	—	—	—	—	—	—	(8,392,260)	(8,392,260)
Balance, December 31, 2024	<u>27,000,000</u>	<u>\$ 27,000</u>	<u>61,590,398</u>	<u>\$ 61,590</u>	<u>\$36,844,041</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (45,418,687)</u>	<u>\$ (8,486,056)</u>

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

LIVECARE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

LiveCare, Inc. (“LiveCare” or the “Company”) was incorporated on July 10, 2018, under the laws of the State of Delaware under the name Gulf Coast Chronic Care, Inc. During 2019, the Company changed its name to LiveCare, Inc.

LiveCare is seeking to become the pre-eminent chronic care service and technology provider of a proven solution for the diabetes epidemic through visibility into daily health status, proactive real time communication, personalized support and programs designed to better engage diabetics in their overall wellness.

a. Basis of Presentation and Principals of Consolidation

The accompanying consolidated financial statements of LiveCare have been prepared using the accrual method in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission. LiveCare has elected a calendar year-end.

The accompanying consolidated financial statements reflect the accounts and operations of LiveCare and LiveCare Florida, P.A. (LiveCare FL), a Florida company in which we have a controlling financial interest.

b. Variable Interest Entities

In accordance with the provisions of Accounting Standards Codification 810, *Consolidation* (“ASC 810”), we consolidate any variable interest entity (“VIE”) of which we are the primary beneficiary. The typical condition for a controlling financial interest ownership is holding a majority of the voting interests of an entity; however, a controlling financial interest may also exist in entities, such as VIEs, through arrangements that do not involve controlling voting interests. ASC 810 requires a variable interest holder to consolidate a VIE if that party has the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance and the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. We do not consolidate a VIE in which we have a majority ownership interest when we are not considered the primary beneficiary. We had one consolidated VIE during the years ended December 31, 2023, and 2022 that was established in 2020 (see Note 6).

c. Cash Equivalents

LiveCare would report all highly liquid investments with maturities of three months or less when purchased, if any, to be cash equivalents. At December 31, 2024, September 30, 2024, June 30, 2024, and March 31, 2024, the Company had no cash equivalents.

From time to time, we may maintain bank balances in interest bearing accounts in excess of the \$250,000 currently insured by the Federal Deposit Insurance Corporation for interest bearing accounts (there is currently no insurance limit for deposits in noninterest bearing accounts). We have not experienced any losses with respect to cash. Management believes our Company is not exposed to any significant credit risk with respect to its cash.

d. Reclassifications of Prior Period Balances

There were no reclassification of prior period balances for the quarters ended March 31, 2024, June 30, 2024, and September 30, 2024, or the years ended December 31, 2023, and December 31, 2024.

e. Use of Estimates

The preparation of financial statements 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 from those estimates. Significant estimates during the years ended December 31, 2023, and December 31, 2024, include fair value measurements of equity based instruments, the collectability of outstanding accounts receivables and the probability of ability to use tax loss carryforwards in future years.

f. Revenue Recognition Policy

LiveCare follows the revenue accounting requirements of Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606) (“Accounting Standards Codification (“ASC 606”). ASC 606 establishes a principle for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The core principle of ASC 606 is to recognize

LIVECARE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

revenue to depict the transfer of promised goods or services to our members in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This principle is achieved through applying the following five-step approach:

- Identification of the contract, or contracts, with a member.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, LiveCare satisfies a performance obligation.

LiveCare generates revenue from contracts with members who purchase access to LiveCare's virtual diabetes healthcare management services on a monthly basis. Substantially all revenue is derived from monthly access fees under subscription agreements with members that are based on a per participant per month model, using the number of active enrolled members each month for the minimum enrollment period. These solutions integrate devices, supplies, access to LiveCare's blue-tooth based platform and clinical and data services to provide an overall health management solution. The promises to transfer these goods and services are not separately identifiable and are considered a single continuous service comprised of a series of distinct services that are substantially the same and have the same pattern of transfer (i.e., distinct days of service).

Each month, LiveCare bills each member's health insurer for the Company's services provided to such member in the previous month. At the time that the Company's services are billed to the health insurer, which is the month following the delivery of the services to the member, the Company has fully completed the delivery of the services to the member for the monthly period being invoiced to the insurers. However, as customary in the healthcare industry, the insurers generally do not pay the Company for 100% of the billed amounts and the amounts payable may also be negatively affected by the members' required co-payments and deductibles. The largest such insurer billed by the Company is Medicare, which generally pays approximately 80% of the amounts billed by the Company within thirty days of receiving the billing from the Company. Other insurers generally pay substantially lesser percentages of the amounts billed by the Company and take a substantially longer period to pay the Company, generally as much as ninety days after receiving the billing from the Company.

ASC 606 requires an entity to evaluate at contract inception whether it is probable that the entity will collect substantially all of the consideration to which it will be entitled in exchange for the goods or services that will be transferred to a customer. Since the collectability of the amounts billed by the Company is uncertain and ultimately a substantial portion of the billed amounts will never be collected, the Company has determined that it will not collect "substantially all" of the amounts that it bills to the insurers for the services provided to its members and billed to the insurers. As a result, the contracts with the members should not be accounted for under the revenue model of ASC 606 until the amounts to be received have been resolved. The Company records revenues based on the estimated cash payments as a percentage of the billed amounts that will ultimately be received from the insurers and the members. The projected collection of the cash payments is estimated using the Company's extensive historical collection ratios by product and payment source. The estimation of future cash receipts is regularly re-evaluated to be sure that the historical patterns are still appropriate.

The payments received from the insurers are non-refundable and, as the Company fully performed the services under the member contract when the amounts for such services were billed to the insurers, the receipt of the cash payments received is incontrovertibly the resolution required by generally accepted accounting principles in order to recognize such payments as the Company's revenue. For reporting purposes, the Company then recognizes the subsequently received cash consideration as the revenue for the monthly period in which the service was performed and for which the insurers were billed. Since the delay between billing date and cash payment date can be significant, due to the insurers' processing schedules, the revenues for any particular period will not be determined definitively until the insurers have processed all billed amounts and disbursed the approved amounts to the Company.

To determine the revenues to be reported for the years ended December 31, 2024, and December 31, 2023, the Company has recorded as revenues an estimation of the cash payments to be received through December 31 of each year for services performed before December 31 of the year. Those subsequent estimated cash payments through December 31 of each year are reported as accounts receivable at December 31 of the year and, since they are estimated expected cash receipts no provision is necessary for uncollectible receivables. Although certain very slow processing insurers may possibly still make a limited number of cash payments after December 31, 2025, for services provided to members before December 31, 2024, any such amounts are not material, not reasonably assured and not estimable, so are not considered in determining the revenues for the year ended December 31, 2024, or the accounts receivable as of December 31, 2024.

LIVECARE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

g. Stock-Based Compensation

LiveCare records stock-based compensation using the fair value method. Equity instruments issued to employees and the cost of the services received as consideration are accounted for in accordance with ASC 718, *Stock Compensation*, and are measured at the date of grant and recognized based on the fair value of the equity instruments issued.

All transactions with non-employees in which goods or services are the consideration received for the issuance of equity instruments are accounted for in accordance with ASU 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* (“ASU 2018-07”). ASU 2018-07 simplifies the accounting for share-based payments to nonemployees by aligning it with the accounting for share-based payments to employees, whereby, based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

h. Fair Value of Financial Instruments

ASC 820, *Fair Value Measurements* (“ASC 820”) and ASC 825, *Financial Instruments* (“ASC 825”), require an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. It 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. It prioritizes the inputs into three levels that may be used to measure fair value:

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

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

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

The carrying values of cash, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, notes and convertible notes payable approximate fair value. 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.

i. Accounting Policies

In July 2021, the FASB issued ASU 2021-05, *Lessors—Certain Leases with Variable Lease Payments* (“ASU 2021-05”). ASU 2021-05 was issued to address the day-one loss issue related to a lessor’s accounting for certain leases with variable lease payments, requiring a lease with variable lease payments that do not depend on an index or a rate to be classified as operating under certain conditions. ASU 2021-05 became effective for the Company for interim periods beginning after December 15, 2021. The ASU was adopted for the fiscal year ending December 31, 2022. The adoption of ASU 2021-05 did not have a material effect on LiveCare’s consolidated financial statements and related disclosures.

In May 2021, the FASB issued ASU 2021-04, *Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options* (“ASU 2021-04”). ASU 2021-04 codifies how an issuer should account for modifications made to equity-classified written call options. The guidance in ASU 2021-04 requires the issuer to treat a modification of an equity-classified warrant that does not cause the warrant to become liability-classified as an exchange of the original warrant for a new warrant. This guidance applies whether the modification is structured as an amendment to the terms and conditions of the warrant or as termination of the original warrant and issuance of a new warrant. ASU 2021-04 became effective for fiscal years beginning after December 15, 2021. The ASU was adopted for the fiscal year ending December 31, 2022. The adoption of ASU 2021-04 did not have a material effect on LiveCare’s consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13 *Financial Instruments -Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 replaces the incurred loss impairment model with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to determine credit loss estimates. The Company believes the primary impact of ASU 2016-13 will relate to the Company’s

LIVECARE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

assessment of its allowance of doubtful accounts on receivables. The guidance was effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. The Company adopted this standard in the first quarter of 2023 and it did not have a material impact on the Company's consolidated financial statements.

j. Long Lived Assets

Periodically, LiveCare assesses potential impairment of its long-lived assets, which include property, equipment and developed software, in accordance with the provisions of ASC Topic 360, *Property, Plant and Equipment*. LiveCare recognizes impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying values. An impairment loss would be recognized in the amount by which the recorded value of the asset exceeds the fair value of the asset, measured by the quoted market price of an asset or an estimate based on the best information available in the circumstances. There have been no such losses recognized during the years ended December 31, 2024 and December 31, 2023.

k. Fixed Assets and Internal Use Software, net

Fixed assets consisting of office furniture and equipment are recorded at cost and depreciated upon placement in service over the estimated useful lives of three to five years on a straight-line basis. Expenditures for normal repairs and maintenance are charged to expense as incurred.

During the years ended December 31, 2024 and December 31, 2023, LiveCare purchased and capitalized \$10,455 and \$0-, respectively of office furniture, fixtures and equipment. During the years ended December 31, 2024 and December 31, 2024, LiveCare recognized \$28,734 and \$44,213, respectively, in depreciation and amortization expense.

LiveCare applies ASC 350-40, *Intangibles—Goodwill and Other—Internal Use Software*, in the review of certain system projects. These system projects relate to software we do not intend to sell or otherwise market. We apply this guidance to our review of development projects related to software used exclusively for our patient monitoring subscription offerings. In these reviews, all costs incurred during the preliminary project stages are expensed as incurred. Once the projects have been committed to and it is probable that the projects will meet functional requirements, costs are capitalized. Capitalized software costs are amortized when the software is available for its intended use over the expected economic life on a straight-line basis, which is three years. Amounts capitalized related to development of internal use software, net of amortization, are included in long-term assets along with other furniture and fixtures, net of depreciation, on our consolidated balance sheets and the related software amortization is recorded as a component of amortization and depreciation in our consolidated statements of operations.

l. Basic and Diluted Loss Per Share

Basic net loss per share is computed on the basis of the weighted average number of common shares outstanding during each year. Diluted net loss per share is computed similar to basic net loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. The Company uses the "if-converted" method for calculating the earnings per share impact of any outstanding convertible debentures, whereby the securities are assumed converted and an earnings per incremental share is computed. Options, warrants and their equivalents are included in earnings per share ("EPS") calculations through the treasury stock method. In periods where losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

LIVECARE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The calculation of basic and diluted net loss per share for the years ended December 31, 2024, and December 31, 2023 are as follows:

	For the Year Ended December 31,	
	2024	2023
<u>Basic Net Loss Per Share:</u>		
Numerator:		
Net loss	\$ (8,392,260)	\$ (7,441,725)
Denominator:		
Weighted average common shares outstanding - basic net loss per share	50,883,521	48,693,658
Basic net loss per share	<u>\$ (0.16)</u>	<u>\$ (0.15)</u>
<u>Diluted Net Loss Per Share:</u>		
Numerator:		
Net loss	\$ (8,392,260)	\$ (7,441,725)
Adjustments for dilution	-	-
Diluted net loss	<u>\$ (8,392,260)</u>	<u>\$ (7,441,725)</u>
Denominator:		
Weighted-average common shares outstanding	50,883,521	48,693,658
Adjustments for dilution	-	-
Weighted average common shares outstanding - diluted net loss per share	50,883,521	48,693,658
Diluted net loss per share	<u>\$ (0.16)</u>	<u>\$ (0.15)</u>

The following table summarizes the potential shares of common stock that were excluded from the computation of diluted net loss per share for the years ended December 31, 2024, and December 31, 2023, as such shares would have had an anti-dilutive effect:

	For the Year Ended December 31,	
	2024	2023
Common stock warrants	-	2,917,792
Convertible notes	2,443,410	848,000
Total	<u>2,443,410</u>	<u>3,765,792</u>

m. Income Taxes

LiveCare files income tax returns in the U.S. federal jurisdiction, and the state of Delaware. LiveCare's policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. 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.

n. Advertising Costs

Advertising and marketing costs are charged to operations when incurred. Advertising and marketing expenses for the years ended December 31, 2024, and December 31, 2023, were \$192,673 and \$126,198, respectively.

NOTE 2 - RELATED PARTY TRANSACTIONS

Accounts Payable, Related Party

As of December 31, 2024, and December 31, 2023, LiveCare had no accounts payable to related parties.

Accrued Payroll

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As of December 31, 2024, and December 31, 2023, LiveCare owed unpaid accrued wages under an employment agreement with its CEO/President in the amounts of \$183,714 and \$116,536, respectively.

NOTE 3 – CONVERTIBLE NOTES, NOTES PAYABLE AND OTHER DEBT

The Company's outstanding indebtedness as of December 31, 2024, is summarized in the following table:

Convertible Notes, Notes Payable and Other Debt
Summary of Obligations as of December 31, 2024

	<u>Investment Received</u>	<u>OID</u>	<u>Total Liability Before Any Payments, Conversions and Exchanges</u>	<u>Payments, Conversions, and Exchanges to Date</u>	<u>Total Remaining Liability (Incl. OID)</u>
<u>Convertible Notes</u>					See Note (a)
(1) Convertible note payable - Due June 2024	\$ 300,000	\$ 150,000	\$ 450,000	\$ -	\$ 450,000
(2) Convertible note payable - Due June 2024	30,000	15,000	45,000	(45,000)	-
(3) Convertible note payable - Due September 2024	200,000	100,000	300,000	-	300,000
(4) Convertible note payable - Due May 2024	50,000	3,000	53,000	(53,000)	-
(5) Convertible Loan with Participation Payments	620,500	810,605	1,431,105	(240,000)	1,191,105
(6) Convertible note payable - Due March 2025	150,000	75,000	225,000	-	225,000
Subtotal - Convertible Notes Payable	<u>\$ 1,350,500</u>	<u>\$ 1,153,605</u>	<u>\$ 2,504,105</u>	<u>\$ (338,000)</u>	<u>\$ 2,166,105</u>
<u>Notes Payable and Other Debt</u>					
(1) 2022 Loan payable - Due January 2023	\$ 1,000,000	\$ 150,000	\$ 1,150,000	\$ (1,150,000)	\$ -
(2) Treasury Stock Purchase	90,000	15,000	105,000	(105,000)	-
(3) 2022-2023 Group of Loans payable	500,000	300,000	800,000	(131,700)	668,300
(4) 2023 Financing collateralized by receivables	383,368	231,000	614,368	(255,870)	358,498
(5) Revenue Sharing Loan Payable	15,000	-	15,000	(15,000)	-
(6) 2022 Loan payable - Due March 2023	300,000	45,000	345,000	-	345,000
(7) 2024 Financing collateralized by receivables	130,000	57,200	187,200	(128,048)	59,152
(8) 2024 Loan payable - Due December 2024	75,000	11,250	86,250	(10,000)	76,250
(9) 2024 Financing collateralized by receivables	50,000	23,000	73,000	(73,000)	-
(10) 2024 Financing collateralized by receivables	90,000	41,400	131,400	(67,043)	64,357
Subtotal - Notes Payable and Other Debts	<u>\$ 2,633,368</u>	<u>\$ 873,850</u>	<u>\$ 3,507,218</u>	<u>\$ (1,935,661)</u>	<u>\$ 1,571,557</u>
<u>Total</u>	<u>\$ 3,983,868</u>	<u>\$ 2,027,455</u>	<u>\$ 6,011,323</u>	<u>\$ (2,273,661)</u>	<u>\$ 3,737,662</u>

Notes

(a) The remaining liability represents the ultimate repayments of principal and interest that may be required, assuming no conversion of convertible debt into shares of common stock. The indebtedness shown on the Balance Sheet is the remaining liability after deduction of unamortized debt discount and unamortized OID.

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The table below summarizes the amortization expense for the debt discount and the original issue discount (“OID”) on the Company’s indebtedness for the year ended December 31, 2024.

	Amortization Expense			
	Quarter ended December 31, 2024		Year Ended December 31, 2024	
	Debt Discount	OID	Debt Discount	OID
<u>Convertible Notes</u>				
(1) Convertible note payable - Due June 2024	\$ -	\$ -	\$ 45,833	\$ 68,750
(2) Convertible note payable - Due June 2024	-	-	4,583	6,875
(3) Convertible note payable - Due September 2024	-	-	47,222	70,833
(4) Convertible note payable - Due May 2024	-	-	4,167	500
(5) Convertible Loan with Participation Payments	42,533	86,389	147,620	539,509
(6) Convertible note payable - Due March 2025	10,227	18,750	30,682	56,250
Subtotal - Convertible Notes Payable	<u>\$ 52,760</u>	<u>\$ 105,139</u>	<u>\$ 280,107</u>	<u>\$ 742,717</u>
<u>Notes Payable and Other Debt</u>				
(1) 2022 Loan payable - Due January 2023	\$ -	\$ -	\$ -	\$ -
(2) Treasury Stock Purchase	-	7,500	-	15,000
(3) 2022-2023 Group of Loans payable	24,194	30,609	96,774	85,771
(4) 2023 Financing collateralized by receivables	-	50,400	-	224,000
(5) Revenue Sharing Loan Payable	-	-	750	-
(6) 2022 Loan payable - Due March 2023	-	-	-	-
(7) 2024 Financing collateralized by receivables	-	3,813	-	57,200
(8) 2024 Loan payable - Due December 2024	11,250	3,375	37,500	11,250
(9) 2024 Financing collateralized by receivables	-	-	-	23,000
(10) 2024 Financing collateralized by receivables	-	17,743	-	23,657
Subtotal - Notes Payable and Other Debts	<u>\$ 35,444</u>	<u>\$ 113,440</u>	<u>\$ 135,024</u>	<u>\$ 439,878</u>
<u>Total</u>	<u>\$ 88,204</u>	<u>\$ 218,579</u>	<u>\$ 415,131</u>	<u>\$ 1,182,595</u>

Convertible Notes

(1) Convertible note payable with original cash received of \$300,000

Overview: In June 2023, an investor agreed to make a convertible loan to the Company in the amount of \$300,000, repayable in the amount of \$450,000 at maturity in June 2024, including \$150,000 interest. In addition to the promise to repay the short-term loan, the Company agreed to issue the investor 150,000 additional shares of common stock valued at \$1.00 per share. The investor has the right to defer issuance of the common stock until such lender requests issuance. The agreement provides that, at the investor’s option, at maturity, the total amount of \$450,000 may be converted into common shares of the Company’s stock at \$1.00 per share. The investor may also elect to convert only the loan principal to common stock and to take the interest portion in cash. At December 31, 2024, the fair market value (“FMV”) (see computation of debt discount below) of the 150,000 shares is carried as a liability for common stock to be issued. The remaining liability as of December 31, 2024, including the liability for contracted interest (the OID), totaling \$450,000, is significantly overdue. **The Company has not made the required payment of \$450,000 and management is currently in negotiations with the investor in regard to compensation in return for an extension or settlement. The investor has not indicated an intention to convert the note into shares of common stock, as provided as the investor’s option in the loan agreement.**

Computation of Debt Discount: Management determined that the FMV of the debt was \$300,000 (66.7% of the total FMV of the transaction) and the FMV of the additional common stock to be issued was \$150,000 (33.3% of the total FMV of the transaction). Accordingly, 33.3% of the debt proceeds of \$300,000, equal to \$100,000, was determined to be the amount of debt discount to be recorded and amortized to expense ratably over the twelve month term of the loan. Since the loan was made in mid-June 2023, the Company recorded one-half month of debt discount amortization totaling \$4,167 in June 2023. Total amortization of the debt discount in 2023 was \$54,167. During the year ended December 31, 2024, the debt discount amortization was \$45,833, leaving no remaining unamortized balance as of December 31, 2024.

Original Issue Discount: Management determined that the payment at maturity of \$150,000 in excess of the original funds received should be recorded as original issue discount (“OID”) and amortized ratably to expense over the term of the note. Since the note was made in mid-June 2023, the Company recorded one-half month of original issue discount amortization totaling \$6,250 in June 2023. Total amortization of the original issue discount in 2023 was \$81,250. During the year ended December 31, 2024, the original issue discount amortization was \$68,752, leaving no remaining unamortized OID balance as of December 31, 2024.

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(2) Convertible note payable with original cash received of \$30,000

Overview: In June 2023, an investor agreed to make a convertible loan to the Company in the amount of \$30,000, repayable in the amount of \$45,000 at maturity in June 2024, including \$15,000 interest. In addition to the promise to repay the short-term loan, the Company agreed to issue the investor 15,000 shares of common stock valued at \$1.00 per share. The agreement provides that, at the investor's option, at maturity, the total amount of \$45,000 may be converted into common shares of the Company's stock at \$1.00 per share. The investor may also elect to convert only the loan principal to common stock and to take the interest portion in cash. At December 31, 2023, the 15,000 shares were carried as a liability for common stock to be issued. However, in June 2024, the investor agreed to exchange this debt of \$45,000 (including the OID) for an issue of Convertible Loan (with Participation Payments) as discussed in (5) below. **None of this debt remains outstanding as of December 31, 2024.**

Computation of Debt Discount: Management determined that the FMV of the debt was \$30,000 (66.7% of the total FMV of the transaction) and the FMV of the issued stock was \$15,000 (33.3% of the total FMV of the transaction). Accordingly, 33.3% of the debt proceeds of \$30,000, equal to \$10,000, was determined to be the amount of debt discount to be recorded and amortized to expense ratably over the twelve month term of the loan. Since the loan was made in mid-June 2023, the Company recorded one-half month of debt discount amortization totaling \$417 in June 2023. Total amortization of the debt discount in 2023 was \$5,417. In the first quarter of 2024, the debt discount amortization was \$2,500. The remaining \$2,083 was amortized in the second quarter of 2024, leaving no remaining balance at December 31, 2024.

Original Issue Discount: Management determined that the payment at maturity of \$15,000 in excess of the original funds received should be recorded as original issue discount ("OID") and amortized ratably to expense over the term of the note. Since the note was made in mid-June 2023, the Company recorded one-half month of original issue discount amortization totaling \$625 in June 2023. Total amortization of the original issue discount in 2023 was \$8,125. In the first quarter of 2024, the original issue discount amortization was \$3,750, with a remaining unamortized balance of \$3,125 that was amortized in the second quarter of 2024, leaving no remaining balance at December 31, 2024.

(3) Convertible note payable with original cash received of \$200,000

Overview: In September 2023, an investor agreed to make a convertible loan to the Company in the amount of \$200,000, repayable in the amount of \$300,000 at maturity in September 2024, including \$100,000 interest. In addition to the promise to repay the short-term loan, the Company agreed to issue the investor 100,000 additional shares of common stock valued at \$1.00 per share. The investor has the right to defer issuance of the additional common stock until any time at or before maturity. The agreement provides that, at the investor's option, at maturity, the total amount of \$300,000 may be converted into common shares of the Company's stock at \$1.00 per share. The investor may also elect to convert only the loan principal to common stock and to take the interest portion in cash. At December 31, 2024, the FMV (see computation of debt discount below) of the 100,000 shares is carried as a liability for common stock to be issued. The remaining liability as of December 31, 2024, including the liability for contracted interest (the OID), is \$300,000, currently significantly overdue. **The Company has not made the required payment of \$300,000 and management is currently in negotiations with the investor in regard to compensation in return for an extension or settlement. The investor has not indicated an intention to convert the note into shares of common stock, as provided at the investor's option in the loan agreement.**

Computation of Debt Discount: Management determined that the FMV of the debt was \$200,000 (66.7% of the total FMV of the transaction) and the FMV of the additional common stock to be issued was \$100,000 (33.3% of the total FMV of the transaction). Accordingly, 33.3% of the debt proceeds of \$200,000, equal to \$66,667, was determined to be the amount of debt discount to be recorded and amortized to expense ratably over the twelve month term of the loan. Since the loan was made in mid-September 2023, the Company recorded one-half month of debt discount amortization totaling \$2,778 in September 2023. Total amortization of the debt discount in 2023 was \$19,444. During the year ended December 31, 2024, the debt discount amortization was \$47,223, leaving no remaining balance at December 31, 2024.

Original Issue Discount: Management determined that the payment at maturity of \$100,000 in excess of the original funds received should be recorded as original issue discount ("OID") and amortized ratably to expense over the term of the note. Since the note was made in mid-September 2023, the Company recorded one-half month of original issue discount amortization totaling \$4,167 in September 2023. Total amortization of the original issue discount in 2023 was \$29,167. During the year ended December 31, 2024, the original issue discount amortization was \$70,833, leaving no remaining balance at December 31, 2024.

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(4) Convertible note payable with original cash received of \$50,000

Overview: In November 2023, an investor agreed to make a convertible loan to the Company in the amount of \$50,000, repayable in the amount of \$53,000 at maturity in May 2024, including \$3,000 interest. In addition to the promise to repay the short-term loan, the Company agreed to issue the investor 50,000 shares of common stock valued at \$1.00 per share. The agreement provides that, at the investor's option, at maturity, the total amount of \$53,000 may be converted into common shares of the Company's stock at \$1.00 per share. At December 31, 2023, the 50,000 shares were carried as a liability for common stock to be issued. However, in February 2024, the investor agreed to exchange the note for an investment in the "Convertible Loans (with Participation Payments)" as described in (5) below. Accordingly, the pending issuance of the 50,000 shares of common stock was nullified. **None of this debt remains outstanding as of December 31, 2024.**

Computation of Debt Discount: Management determined that the FMV of the debt was \$50,000 (50.0% of the total FMV of the transaction) and the FMV of the issued stock was \$50,000 (50.0% of the total FMV of the transaction). Accordingly, 50.0% of the FMV of the proceeds, equal to \$25,000, was determined to be the amount of debt discount to be recorded and amortized to expense ratably over the term of the loan. Since the loan was made in mid-November 2023, the Company recorded one-half month of debt discount amortization totaling \$2,083 in November 2023. Total amortization of the debt discount in 2023 was \$6,250 for one and one-half months. Since the note was exchanged for convertible debt effective March 1, 2024, debt discount amortization expense for two months was \$4,167 and the remaining unamortized debt discount of \$14,583 was written off in the first quarter of 2024 in connection with the nullification of the common stock "equity kicker".

Original Issue Discount: Management determined that the payment at maturity of \$3,000 in excess of the original funds received should be recorded as original issue discount ("OID") and amortized ratably to expense over the term of the note. Since the note was made in mid-November 2023, the Company recorded one-half month of original issue discount amortization totaling \$250 in November 2023. Total amortization of the original issue discount in 2023 was \$750 for one and one-half months. Since the note was exchanged for convertible debt effective March 1, 2024, original issue discount amortization expense for two months was \$500 and the remaining unamortized original issue discount of \$1,750 was written off in the first quarter of 2024 in connection with the nullification of the common stock "equity kicker", resulting in \$3,000 of debt forgiveness income to reflect the elimination of the original issue discount that was recorded when the note was issued in November 2023.

(5) Convertible Loans (with Participation Payments) – total original principal of \$620,500

Overview: In February 2024, a group of individual investors agreed to make separate convertible loans to the Company in the combined amount of \$575,500 (consisting of \$510,500 in new cash loans and \$65,000 in exchange for pre-existing company indebtedness) repayable on the maturity date of December 31, 2024, along with deferred interest of \$63,305 computed at the rate of 12% for the eleven months term of the debt. In addition to the promise to repay the convertible loans, the Company agreed to issue to each investor an "equity kicker" of two shares of the Company's common stock for each \$1.00 loaned to the Company, for a total new issuance of 1,151,000 shares. The agreements provide that, at the investors' individual options, the total amount of \$638,805 (consisting of the original principal of \$575,500 plus the \$63,305 of deferred interest) may be converted into common shares of the Company's stock at \$1.00 per share no later than the maturity date of December 31, 2024. In June 2024, another investor converted a \$45,000 convertible obligation into this debt, increasing the total invested from \$575,500 at March 31 to \$620,500 at June 30, 2024 and the return payable at maturity from \$63,305 to \$66,005, for a total obligation of \$686,505. In the third quarter of 2024, an investor exchanged the participation rights with a value of \$240,000 for 480,000 shares of common stock. Of that original \$240,000 in original issue discount, \$73,043 had been previously expensed, leaving a net change in OID of \$166,957. The exchange reduced the original issue discount by \$166,957, which was recorded as original issue discount amortization expense in the third quarter of 2024. The total recorded liability for these convertible notes at December 31, 2024, including the contracted original issue discount for both interest (\$66,005) and participation payments (\$504,600) was \$1,191,105. However, the only amount due and payable at December 31, 2024, was \$686,505 that did not include the participation payments that are only required to be paid monthly in January through December 2025. **The Company has not made the originally required payment of \$686,505 or begun making the required participation payments. The sum of the required cash participation payments of \$42,050 that are to be paid each month from January 2025 through December 2025 is \$504,600 as of December 31, 2024.** However, on December 31, 2025, the Company agreed to issue an additional 620,500 shares of common stock to the noteholders in exchange for the noteholders' agreement to an extension of the notes' maturity until April 30, 2025. The valuation of the shares to be issued was \$142,715 (\$0.23 per share - based upon the market value of the common stock on the date of the extension offer), which amount was expensed in December 2024 as an expense of debt conversion and extension, thus having no effect on the Company's recorded indebtedness. The net remaining balance sheet liability at December 31, 2024, was \$749,879 (\$1,191,105 net of the unamortized debt discount balance of \$170,130 and the unamortized original issue discount balance of \$271,796). **Management is currently in negotiations with the investors regarding the resolution or further extension of these convertible notes. The investors have not indicated an intention to convert the note into shares of common stock, as provided at the investors' option in the loan agreement.**

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Computation of Debt Discount: Management determined that the FMV of the convertible debt was \$575,500 (50.0% of the total FMV of the transaction) and the FMV of the common stock of the “equity kicker” of 1,151,000 shares was also \$575,500 (50.0% of the total FMV of the transaction). Accordingly, 50.0% of the FMV of the proceeds, equal to \$287,750, was determined to be the amount of debt discount to be recorded and amortized to expense ratably over the term of the loan. Since the loan was made effective February 1, 2024, the Company recorded one month of debt discount amortization of \$12,511 in each of February 2024 and March 2024. The debt discount will be amortized each month through December 2025 (a total of 23 months) at \$12,511 per month. In the first quarter of 2024, the debt discount amortization was \$25,022, with a remaining unamortized balance of \$262,728. In June 2024, an investor converted a pre-existing convertible note of \$45,000 into this indebtedness, increasing this debt discount by \$30,000, to be amortized over six months beginning July 1, 2024, at \$1,667 per month. In the second quarter of 2024, the debt discount amortization was \$37,533, in the third quarter of 2024, the debt discount amortization was \$42,533, and, in the fourth quarter of 2024, the debt discount amortization was \$42,533, leaving a remaining unamortized debt discount balance of \$170,130.

Original Issue Discount for the Deferred Interest: Management determined that the payment of interest due on December 31, 2024, of \$63,305 in excess of the original convertible loans’ principal should be recorded as original issue discount (“OID”) and amortized ratably to expense over the eleven month term of the loans (which must be repaid or converted by December 31, 2024). Since the loans were effective February 1, 2024, the Company will record one month of the deferred interest original issue discount amortization of \$5,755 every month from February 2024 through December 2024, when the convertible notes must be repaid or converted to the Company’s common stock, at the holders’ individual options. In June 2024, an investor converted a pre-existing convertible note of \$45,000 into this indebtedness, which increased the original issue discount by \$2,700, to be amortized over six months beginning July 1, 2024, at \$450 per month. In the first quarter of 2024, the original issue discount amortization for the deferred interest was \$11,510, for two months’ amortization. In the second quarter of 2024, the original issue discount amortization was \$17,265, in the third quarter of 2024, the original issue discount amortization was \$18,615, and in the fourth quarter of 2024 the original issue discount amortization was \$18,615. There is no remaining unamortized original issue discount for the deferred interest. However, there is \$3271,096 unamortized balance for the OID on the participation payments (see next paragraph below), so the total unamortized OID on this debt is \$271,096.

Original Issue Discount for the Participation Payments: Management determined that the original amount of participation payments of \$57,550 to be made each month from January 2025 through December 2025, totaling \$690,600 in excess of the original convertible loans’ amount should also be recorded as original issue discount (“OID”) and amortized ratably to expense over the twenty-three month term of the loans. Since the loans were effective February 1, 2024, the Company will record one month of the participation payments’ original issue discount amortization of \$30,026 every month from February 2024 through December 2025 (total of 23 months). In June 2024 when an investor converted a pre-existing \$45,000 debt to this indebtedness, it increased this OID by \$54,000 to be amortized over 18 months at \$3,000 per month beginning July 1, 2024. In the first quarter of 2024, the original issue discount amortization for the participation payments was \$60,052 (two months), with a remaining unamortized balance of \$630,548. In the second quarter of 2024, the original issue discount amortization for the participation payments was \$90,078 (three months), with a remaining unamortized balance of \$594,470. As noted above, in the third quarter of 2024, an investor exchanged the participation rights with a value of \$240,000 for 480,000 shares of common stock. Of that original \$240,000 in OID, \$73,043 had been previously expensed, leaving a net change in OID of \$166,957. The exchange reduced the original issue discount by \$166,957, which was recorded as OID amortization expense in the third quarter. In connection with this elimination, the monthly amortization for the original OID dropped from \$30,026 per month to \$19,591 per month beginning September 1, 2024. The resulting OID amortization expense for the third quarter was a total of \$88,643 (\$79,643 for the original group of investors plus \$9,000 for the investor who separately converted into this debt effective July 1, 2024). In the fourth quarter of 2024, the original issue discount for the participation payments was \$67,774 (\$58,774 for the original group of investors plus \$9,000 for the investor who separately converted into this debt). The remaining unamortized original issue discount for the participation payments was \$271,096 as of December 31, 2024.

(6) Convertible note payable with original cash received of \$150,000

Overview: In April 2024, an investor agreed to make a convertible loan to the Company in the amount of \$150,000, repayable in the amount of \$225,000 at maturity in March 31, 2025, including \$75,000 interest. In addition to the promise to repay the short-term loan, the Company agreed to issue the investor 75,000 additional shares of common stock. The investor has the right to defer issuance of the additional common stock until any time at or before maturity. The agreement provides that, at the investor’s option, at maturity, the total amount of \$225,000 may be converted into common shares of the Company’s stock at \$1.00 per share. The investor may also elect to convert only the loan principal to common stock and to take the interest portion in cash. Until the shares are issued, the FMV (see computation of debt discount below) of the 75,000 shares is carried as a liability for common stock to be issued. At December 31, 2024, the outstanding liability on the indebtedness was \$225,000 including the contracted interest (original issue discount).

Computation of Debt Discount: Management determined that the FMV of the debt was \$150,000 (72.7% of the total FMV of the transaction) and the FMV of the additional common stock to be issued was \$56,250 (27.3% of the total FMV of the transaction). Accordingly, 27.3% of the FMV of the proceeds, equal to \$40,909, was determined to be the amount of debt

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discount to be recorded and amortized to expense ratably over the twelve month term of the loan. Since the loan was made April 1, 2024, the Company recorded the first month of debt discount amortization totaling \$3,409 in April 2024. In the second, third and fourth quarters of 2024, the debt discount amortization was \$10,227 per quarter, leaving a remaining unamortized balance of \$10,227 at December 31, 2024.

Original Issue Discount: Management determined that the payment at maturity of \$75,000 in excess of the original funds received should be recorded as original issue discount ("OID") and amortized ratably to expense over the twelve month term of the note. Since the note was made April 1, 2024, the Company recorded the first month of original issue discount amortization totaling \$6,250.00 in April 2024. In the second, third and fourth quarters of 2024, the original issue discount amortization was \$18,750 per quarter, leaving a remaining unamortized balance of \$18,750 as of December 31, 2024.

Notes Payable and Other Debt

(1) 2022 Loan payable with original cash received of \$1,000,000

Overview: In late 2022, an investor agreed to make a short-term loan to the Company in the amount of \$1,000,000, repayable in twelve payments of \$95,833 beginning in January 2023, for a total repayment amount of \$1,150,000. In addition to the promise to repay the short-term loan, the Company issued the investor 1,000,000 shares of common stock valued at \$1.00 per share. The investor was also granted warrants expiring June 30, 2023, to purchase an additional 1,000,000 shares of common stock at \$1.00 per share. To date, the Company has made total payments of \$191,666, reducing the outstanding obligation to \$958,334, which has been in default since early 2023 and the issue of repayment had gone to arbitration. In the third quarter of 2024, the investor and the Company completed the arbitration whereby the Company agreed to pay the investor \$1.2 million in complete settlement of the debt. This amount was paid in full during the third quarter of 2024 and the debt has been eliminated.

Computation of Debt Discount: Management determined that the fair market value ("FMV") of the debt was \$1,000,000 (43.1% of the total FMV of the transaction), the FMV of the issued stock was \$1,000,000 (43.1% of the total FMV of the transaction), and the FMV of the warrants was \$321,568 (computed using the Black-Sholes valuation model as described in Note 4 – STOCKHOLDERS' EQUITY, Common Stock Warrants below) (13.9% of the FMV of the transaction). Accordingly, 43.1% of the common stock FMV, equal to \$430,727, plus 13.9% of the FMV of the warrants, equal to \$138,547 (a total of \$569,273) was determined to be the amount of debt discount to be recorded and amortized to expense over the term of the loan. Since the loan was made in early November 2022 and although no payments were due until early 2023, the Company recorded two months of debt discount amortization totaling \$81,325 in 2022. The remaining debt discount of \$487,949 was amortized to expense for the year ended December 31, 2023.

Original Issue Discount: Management determined that the payment of \$150,000 in excess of the initial funds received should be recorded as original issue discount ("OID") and amortized over to expense over the term of the loan. Accordingly, \$21,429 of OID non-cash expense was recorded in 2022. The remaining OID of \$128,517 was amortized to expense for the year ended December 31, 2023.

(2) Treasury Stock Purchase

Overview: During 2022, the Company agreed to acquire from an investor 300,000 shares of common stock at \$1.00 per share to be held as treasury shares and the Company recorded a debt payable of \$300,000. As of December 31, 2022, the Company had paid the investor \$210,000 and the remaining obligation to the investor was \$90,000, which was carried as an "Other debt payable, current". During 2023, the Company paid the investor an additional \$65,000 so that the remaining outstanding balance at December 31, 2023, was \$25,000. In November 2023, the Company issued 94,000 additional shares of common stock to the investor in return for an extension of the maturity date on the remaining debt. In the second quarter of 2024, the Company agreed to pay the investor an additional \$15,000 to compensate for the delay in payment. Also, during the second quarter of 2024, the Company made total payments of \$10,000, reducing the outstanding liability to \$30,000 at June 30, 2024. Furthermore, during the third quarter, the Company made additional total payments of \$20,000, reducing the outstanding liability to \$10,000 at September 30, 2024. The final outstanding balance of \$10,000 was paid in the fourth quarter of 2024 and the debt has been eliminated.

Original Issue Discount: The additional \$15,000 that the Company agreed to pay the investor to compensate for the repayment delay was determined to be original issue discount, amortized over six months beginning July 1, 2024. The OID balance was fully amortized as of December 31, 2024.

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(3) 2022-2023 Group of Loans payable in aggregate amount of \$500,000 (\$425,000 received in 2022 and \$75,000 in 2023)

Overview: In December 2022, the Company negotiated a number of short-term loans with a group of fourteen affiliated investors in a total proposed funding amount of \$500,000, to be completely funded in early 2023. The loans were to be repaid in twenty-three installments of \$30,000 per month beginning May 1, 2023, for a total repayment amount of \$690,000. Twelve of the investors pre-funded their commitments during December 2022 in the total amount of \$425,000. The transaction was fully effectuated when all commitments were ultimately received and the investors were issued common stock valued at \$1.00 per share for each \$1.00 originally invested in the notes, for a total stock issuance of 500,000 shares when all of the investors completed their funding in early January 2023. The Company recorded the \$425,000 received in 2022 as a loan payable, but no interest was payable in 2022 and there was no accrued interest at December 31, 2022. Although the terms of the loans required total payments of \$90,000 in 2023, the Company inadvertently paid only \$76,800. The remaining liability as of December 31, 2023, was \$613,200 after the payments of \$76,800 made during 2023. Although the payment terms require monthly payments of \$30,000 per month so that \$90,000 should have been paid in each quarter of 2024, the Company paid only \$9,000 in the first quarter, \$9,000 in the second quarter, \$18,000 in the third quarter, and \$18,900 in the fourth quarter, for total 2024 payments of \$54,900. However, in November 2024, management negotiated an extension of the maturity of the indebtedness to December 31, 2025, in exchange for an increase of \$110,000 in the total return to be paid over the term of the debt. The revised payment terms require \$10,000 monthly payments from November 2024 through March 2025, \$30,000 monthly payments from April 2025 through December 2025, and a balloon payment before the end of December 2025 for any remaining unpaid obligation. The additional \$110,000 obligation was recorded as original issue discount in the fourth quarter of 2024, increasing the remaining obligation (after payments made through December 31, 2024) to \$668,300.

Computation of Debt Discount: Management determined that the FMV of the 2022 debt was \$425,000 (50.0% of the total FMV of the transaction) and the FMV of the stock to be issued in 2023 for the \$425,000 received in 2022 was \$425,000 (50.0% of the total FMV of the transaction). Accordingly, 50.0% of the stock FMV, equal to \$212,500 was determined to be the amount of debt discount to be recorded in 2022 and amortized to expense over the twenty-three month term of the \$425,000 loan proceeds received prior to December 31, 2022. Since the loan proceeds were received in late December 2022 no debt discount amortization was recorded in 2022. For the year ended December 31, 2023, the Company recorded twelve months of debt discount amortization totaling \$96,774. For the year ended December 31, 2024, the Company recorded twelve months of debt discount amortization totaling \$96,774, leaving an unamortized balance of \$56,451 as of December 31, 2024.

Original Issue Discount: Management determined that the 2022 excess total future payments of \$161,500 (\$425,000 represents 85% of the \$500,000 total, so \$161,500 represents 85% of the \$190,000 total payments in excess of the total 2022-2023 funds received of \$500,000) should be recorded as original issue discount ("OID") and amortized over to expense over the term of the loan. Since the \$425,000 was received in late December 2022, no OID non-cash expense was recorded in 2022. For the year ended December 31, 2023, the Company recorded twelve months of OID amortization totaling \$73,548. For the year ended December 31, 2024, the Company recorded twelve months of amortization for this OID totaling \$73,548. However, in November 2024, management negotiated an extension of the maturity of the indebtedness to December 31, 2025, in exchange for an increase of \$110,000 in the total return to be paid over the term of the debt. This increase in the OID will be amortized over the 13.5 months after the date of the amended loan agreement at \$8,148 per month. In the fourth quarter of 2024, \$12,222 of this increased OID was amortized, leaving a total remaining unamortized OID balance of \$140,682 as of December 31, 2024.

(4) 2024 Re-financing collateralized by receivables with original cash received of \$300,000

Overview: In May 2024, the Company refinanced a loan originally created in December 2023, with a professional receivables financing firm. The refinanced loan terms provided for a short-term loan to the Company in the amount of \$300,000, repayable in business day installments of \$2,840 beginning May 17, 2024, for a total required repayment amount of \$426,000. The total repayment is fully collateralized by the Company's accounts receivable. Of the proceeds, \$166,632.34 was used to repay the remaining balance on the existing loan with original cash received of \$250,000. During the year ended December 31, 2024, the Company made payments totaling \$39,072. After an increase in the debt obligation of \$1,960 for late payment fee expenses, the remaining balance at December 31, 2024, (including the contracted interest liability) was \$358,498.

Original Issue Discount: Management determined that the amount of \$126,000 that would be paid in excess of the initial \$300,000 funding received should be recorded as original issue discount ("OID") and amortized into expense over the term of the loan. Accordingly, \$8,400 of OID non-cash expense was recorded in May 2024 for the one-half month of May and \$16,800 of OID non-cash expense was recorded in June 2024. In the first quarter of 2024, the amortization expense was \$42,000 for the original financing. The original issue discount remaining from the original financing at April 1, 2024, which was \$56,000 that was also fully expensed in the second quarter of 2024, for total amortization expense of \$81,250 in the second quarter. The remaining OID on the refinancing of \$100,800 was amortized to expense at the rate of \$16,800 per month over the last six months of 2024. In each of the third and fourth quarters of 2024, the OID amortization was \$50,400, so that the OID was fully amortized at December 31, 2024.

(5) Revenue Sharing Loan Payable with original cash received of \$15,000

Overview: In December 2023, an investor agreed to make a loan to the Company in the amount of \$15,000, repayable at the maturity date 270 days from the closing. The Company agreed to pay the investor royalty payments in lieu of interest, such royalty payments to be calculated as a percentage of monthly revenues above the 2024 monthly revenue amounts specified in the agreement. Therefore, the revenue sharing royalties would be payable only to the extent the Company's revenues exceeded the specified amounts. In addition to the promise to repay the short-term loan and pay the monthly royalty payments, if any, the Company agreed to issue the investor 15,000 shares of common stock valued at \$1.00 per share. At December 31, 2023, the 15,000 shares were carried as a liability for common stock to be issued. However, in February 2024, the investor agreed to exchange the loan for an investment in the "Convertible Loans (with Participation Payments)" as described above. Accordingly, the pending issuance of the 15,000 shares of common stock was nullified. There is no remaining unpaid balance on this debt.

Computation of Debt Discount: Management determined that the FMV of the debt was \$15,000 (50.0% of the total FMV of the transaction) and the FMV of the issued stock was \$15,000 (also 50.0% of the total FMV of the transaction). Accordingly, 50.0% of the common stock FMV, equal to \$7,500, was determined to be the amount of debt discount to be recorded and amortized to expense ratably over the term of the loan. Since the loan was made in early December 2023, the Company recorded one month of debt discount amortization totaling \$750 in December 2023. Total amortization of the debt discount in 2023 was \$750. Since the note was exchanged for convertible debt effective February 1, 2024, debt discount amortization expense for one month was \$750 during the first quarter and the remaining unamortized debt discount of \$6,000 was written off in connection with the nullification of the common stock "equity kicker".

Original Issue Discount: Since the return to the investor would have been based on future monthly revenues of the Company during 2024, the ultimate return to the creditor was not determinable. Therefore, management determined that no original issue discount ("OID") would be recorded in connection with the loan. There is no remaining balance outstanding on this debt due to investor's exchange and accordingly there will be no future monthly payments to be considered.

(6) 2022 Loan payable with original cash received of \$300,000

Overview: Also, in October 2022, another investor agreed to make a short-term loan to the Company in the amount of \$300,000, repayable in a single installment of \$345,000 before the end of March 2023. In addition to the promise to repay the short-term loan, the Company issued the investor 300,000 shares of common stock valued at \$1.00 per share. In March 2023, the maturity date was extended to June 2023. **The Company has not made the required payment of \$345,000 and is currently in negotiations with the investor in regard to compensation in return for a further extension.**

Computation of Debt Discount: Management determined that the FMV of the debt was \$300,000 (50.0% of the total FMV of the transaction) and the FMV of the issued stock was \$300,000 (50.0% of the total FMV of the transaction). Accordingly, 50.0% of the stock FMV, equal to \$150,000 was determined to be the amount of debt discount to be recorded and amortized to expense over the term of the loan. Since the loan was made in early November 2022 the Company recorded two months of debt discount amortization totaling \$60,000 in 2022. The remaining debt discount of \$90,000 was amortized to expense for the three months ended March 31, 2023.

Original Issue Discount: Management determined that the payment of \$45,000 in excess of the initial funds received should be recorded as original issue discount ("OID") and amortized over to expense over the term of the loan. Accordingly, \$18,000 of OID non-cash expense was recorded in 2022. The remaining OID of \$27,000 was amortized to expense for the three months ended March 31, 2023.

(7) 2024 Financing collateralized by receivables with original cash received of \$130,000

Overview: In March 2024, a professional receivables financing firm agreed to make a short-term loan to the Company in the amount of \$130,000, repayable in business day installments of \$1,273.74 beginning March 1, 2023, for a total repayment amount of \$187,200. The total repayment is fully collateralized by the Company's accounts receivable. During the year ended December 31, 2024, the Company made payments totaling \$30,805. After an increase in the debt obligation of \$6,545 for late payment fee and other expenses, the remaining balance at December 31, 2024, (including the contracted interest liability) was \$59,152.

Original Issue Discount: Management determined that the amount of \$57,200 that would be paid in excess of the initial \$130,000 funding received should be recorded as original issue discount and amortized into expense over the 7.5 month term of the loan. Accordingly, \$7,627 of OID non-cash expense was recorded in the first quarter of 2024, for the one month of March. In the second and third quarters of 2024, the original issue discount amortization was \$22,880 and the remaining OID of \$3,813 for one-half month was amortized to expense in the fourth quarter of 2024, leaving no remaining unamortized balance as of December 31, 2024.

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(8) 2024 Loan payable with original cash received of \$75,000

Overview: On March 1, 2024, a previous investor agreed to make a second short-term loan to the Company in the amount of \$75,000, repayable in a single installment of \$86,250 before the end of December 2024, a period of ten months. In addition to the promise to repay the short-term loan, the Company issued the investor 75,000 shares of common stock valued at \$1.00 per share. In the second quarter of 2024, the Company made payments of \$10,000, reducing the outstanding balance, including the contracted interest liability, to \$76,250 as of December 31, 2024.

Computation of Debt Discount: Management determined that the FMV of the debt was \$75,000 (50.0% of the total FMV of the transaction) and the FMV of the issued stock was \$75,000 (50.0% of the total FMV of the transaction). Accordingly, 50.0% of the stock FMV, equal to \$37,500 was determined to be the amount of debt discount to be recorded and amortized to expense over the term of the loan. Since the loan was made in early March 2024 the Company recorded one month of debt discount amortization totaling \$3,750 in the first quarter of 2024. The remaining debt discount of \$33,750 was amortized to expense over the last nine months of 2024. In the second, third and fourth quarters of 2024, the debt discount amortization was \$11,250, leaving no remaining unamortized balance at December 31, 2024.

Original Issue Discount: Management determined that the payment of \$11,250 in excess of the initial funds received should be recorded as original issue discount and amortized over to expense over the 10 month term of the loan. Accordingly, \$1,125 of original issue discount non-cash amortization expense was recorded in the first quarter of 2024, and \$3,375 was recorded in each of the second, third and fourth quarters of 2024, leaving no remaining unamortized original issue discount at December 31, 2024.

(9) 2024 Financing collateralized by receivables with original cash received of \$50,000

Overview: In February 2024, a professional receivables financing firm agreed to make a short-term loan to the Company in the amount of \$50,000, repayable in business day installments of \$730 beginning June 13, 2024, for a total repayment amount of \$73,000. The loan proceeds of \$50,000 were reduced by an upfront funding fee of \$2,750. The total repayment of \$50,000 was fully collateralized by the Company's accounts receivable. As of June 30, 2024, the Company had made payments of \$10,200, leaving a remaining liability of \$62,780 including the contracted interest liability. However, during the third quarter of 2024, the Company refinanced this debt, using a new financing (see paragraph (10) below) to pay off the remaining balance of this debt, leaving no balance outstanding at December 31, 2024.

Original Issue Discount: Management determined that the amount of \$23,000 that would be paid in excess of the initial \$50,000 funding received should be recorded as original issue discount and amortized into expense over the five month (100 business days) term of the loan. Accordingly, \$23,000 original issue discount non-cash expense was amortized over five months, in the period of June 2024 (\$2,300 for one-half month) through mid-November 2024. The unamortized balance as of June 30, 2024, was \$20,700. However, since this debt was eliminated through the refinancing, the remaining unamortized OID balance of \$20,700 was charged to OID amortization expense in the third quarter, leaving no unamortized original issue discount remaining on this indebtedness.

(10) 2024 Financing collateralized by receivables with original cash received of \$90,000

Overview: In September 2024, the professional receivables financing firm that had previously provided financing to the Company agreed to make a short-term loan to the Company in the amount of \$90,000, repayable in 140 business day installments of \$930 beginning September 6, 2024, for a total repayment amount of \$131,400. The loan proceeds of \$90,000 were reduced by an upfront funding fee of \$4,950, the repayment of \$400 in returned check fees, and \$34,310 remaining on the previous debt (see paragraph (9) above). The total repayment of \$131,400 (\$90,000 principal and \$41,400 interest) is fully collateralized by the Company's accounts receivable. During the year ended December 31, 2024, the Company made payments totaling \$30,805. After an increase in the debt obligation of \$5,734 for late payment fees and other expenses, the remaining balance at December 31, 2024, (including the contracted interest liability) was \$64,357.

Original Issue Discount: Management determined that the amount of \$41,400 to be paid in excess of the initial \$90,000 funding received should be recorded as original issue discount ("OID") and amortized into expense over the seven month (140 business days) term of the loan. Accordingly, \$41,400 original issue discount non-cash expense was amortized at \$5,914 per month over seven months, beginning September 1, 2024. After amortization expense of \$23,657 for the last four months of 2024, the remaining unamortized balance as of December 31, 2024, was \$17,743.

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Summary Table of Outstanding Indebtedness at December 31, 2024

The historical development of the various debt instruments as detailed above are summarized in the following table:

	Original Principal with Increases (Excludes Original Issue Discount)	Original Issue Discount		Debt Discount		Cumulative Payments, Conversions and Exchanges To Date	"Net" Remaining Liability as of December 31, 2024
		Cumulative Additions To Date	Cumulative Amortization and Conversions/ Exchanges As Of 12/31/24	Cumulative Additions To Date	Cumulative Amortization and Conversions/ Exchanges As Of 12/31/24		
<u>Current Portion of Convertible Notes</u>							
(1) Convertible note payable - Due June 2024	\$ 300,000	\$ 150,000	\$ (150,000)	\$ 100,000	\$ (100,000)	-	Notes (a) & (b) \$ 450,000
(2) Convertible note payable - Due June 2024	30,000	15,000	(15,000)	10,000	(10,000)	(45,000.00)	-
(3) Convertible note payable - Due September 2024	200,000	100,000	(100,000)	66,667	(66,667)	-	300,000
(4) Convertible note payable - Due May 2024	50,000	3,000	(3,000)	25,000	(25,000)	(53,000.00)	-
(5) Convertible Loan with Participation Payments	620,500	810,605	(539,509)	317,750	(147,620)	(240,000.00)	749,879
(6) Convertible note payable - Due March 2025	150,000	75,000	(56,250)	40,909	(30,682)	-	196,023
Subtotal - Convertible Notes Payable	<u>\$ 1,350,500</u>	<u>\$ 1,153,605</u>	<u>\$ (863,760)</u>	<u>\$ 560,326</u>	<u>\$ (379,969)</u>	<u>\$ (338,000)</u>	<u>\$ 1,695,902</u>
<u>Current Portion of Notes Payable and Other Debt</u>							
(1) 2022 Loan payable - Due January 2023	\$ 1,000,000	\$ 150,000	\$ (150,000)	\$ 569,273	\$ (569,273)	\$ (1,150,000)	\$ -
(2) Treasury Stock Purchase	90,000	15,000	(15,000)	-	-	(105,000)	-
(3) 2022-2023 Group of Loans payable	500,000	300,000	(159,318)	250,000	(193,549)	(131,700)	471,167
(4) 2023 Financing collateralized by receivables	383,368	231,000	(231,000)	-	-	(255,870)	358,498
(5) Revenue Sharing Loan Payable	15,000	-	-	7,500	(7,500)	(15,000)	-
(6) 2022 Loan payable - Due March 2023	300,000	45,000	(45,000)	150,000	(150,000)	-	345,000
(7) 2024 Financing collateralized by receivables	130,000	57,200	(57,200)	-	-	(128,048)	59,152
(8) 2024 Loan payable - Due December 2024	75,000	11,250	(11,250)	37,500	(37,500)	(10,000)	76,250
(9) 2024 Financing collateralized by receivables	50,000	23,000	(23,000)	-	-	(73,000)	-
(10) 2024 Financing collateralized by receivables	90,000	41,400	(23,657)	-	-	(67,043)	46,614
Subtotal - Notes Payable and Other Debts	<u>\$ 2,633,368</u>	<u>\$ 873,850</u>	<u>\$ (715,426)</u>	<u>\$ 1,014,273</u>	<u>\$ (957,822)</u>	<u>\$ (1,935,661)</u>	<u>\$ 1,356,681</u>
Total for Current Portion of Debt	<u>\$ 3,983,868</u>	<u>\$ 2,027,455</u>	<u>\$ (1,579,185)</u>	<u>\$ 1,574,599</u>	<u>\$ (1,337,791)</u>	<u>\$ (2,273,661)</u>	<u>\$ 3,052,583</u>
<u>Long-Term Portion of Notes Payable and Other Debt</u>							
(3) 2022-2023 Group of Loans payable	-	-	-	-	-	-	-
Total debt - Current and Long-Term	<u>\$ 3,983,868</u>	<u>\$ 2,027,455</u>	<u>\$ (1,579,185)</u>	<u>\$ 1,574,599</u>	<u>\$ (1,337,791)</u>	<u>\$ (2,273,661)</u>	<u>\$ 3,052,583</u>

The following table provides the future principal payments and maturities of the Company's notes payable and other debts:

Payments due in:	Notes Payable and Other Debt, Inclusive of Original Issue Discount
January 1, 2025 - December 31, 2025	\$ 3,737,662
January 1, 2026 - December 31, 2026	-
January 1, 2027 - December 31, 2027	-
January 1, 2028 - December 31, 2028	-
January 1, 2029 - December 31, 2029	-
Total	<u>\$ 3,737,662</u>

NOTE 4 - STOCKHOLDERS' EQUITY

Common Stock

2024

No shares were issued during the quarters ended March 31, 2024, and June 30, 2024.

During the quarter ended September 30, 2024, the Company issued 10,327,000 shares of common stock, increasing the number of common shares outstanding to 61,202,398.

During the quarter ended December 31, 2024, the Company issued 388,000 shares of common stock, increasing the number of common shares outstanding to 61,590,398.

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2023

During the year ended December 31, 2023, LiveCare issued a total of 70,500 shares of common stock for net aggregate cash payments of \$70,500. In addition, the Company issued a total of 103,200 shares in fulfillment of prior year subscriptions that had been carried as a current liability in “Common stock shares to be issued” at December 31, 2022.

In 2023, LiveCare issued a total of 1,890,000 shares of common stock for services to employees and 595,000 shares to outside consultants valued at \$1.00 per share for a total operating expense of \$2,485,000.

In 2023, the Company eliminated the \$2,000 receivable for shares issued in prior years that have been deemed uncollectible.

Also in 2023, the Company cancelled 143,000 shares of common stock that had been repurchased from a shareholder in 2022. The Company had purchased 300,000 shares from the investor as treasury shares in 2022 and reissued 157,000 shares to new investors in 2023.

During 2023, the Company issued the 425,000 shares granted as “equity kicker” benefits in connection with the loan payable proceeds received in December 2022, that had been carried as a current liability in “Common stock shares to be issued” at December 31, 2022. As discussed above, the value of those shares was reduced to \$212,500 in connection with the computation of the debt discount related to the debt obligation.

The Company issued 90,000 shares of common stock in 2023 as “equity kicker” in connection with new loans to the Company. However, as described in NOTE 3 – CONVERTIBLE DEBT, NOTES PAYABLE AND OTHER DEBT above, the recorded value of the 90,000 shares issued for debt “equity kicker” benefits were reduced in connection with the computation of the debt discount associated with the new debts to a recorded combined equity increase of \$47,500.

In 2023, the Company issued 844,000 shares as either compensation to debt holders for delayed repayments or as inducements for possible future loans. The shares were valued at \$1.00 per share based on the market price of the common shares and the price of shares issued for cash during the year. The total recorded value of the stock issued for debt inducement in 2023 was \$844,000.

Preferred Stock

During September 2021, LiveCare amended its Articles of Incorporation to create a new class of 50,000,000 authorized shares of preferred stock (“Blank Check Preferred Stock”). The board of directors of LiveCare is authorized to determine or alter the powers, preferences and rights, and the qualifications, limitations and restrictions granted to or imposed upon any wholly unissued series of Blank Check Preferred Stock to increase or decrease (but not below the number of shares of any such series of Preferred Stock then outstanding), the number of shares of any such series of Blank Check Preferred Stock, and to fix the number of shares of any series of Blank Check Preferred Stock. The Blank Check Preferred Stock is entitled to 100 votes for each share held at all meetings of stockholders and for written actions in lieu of meetings but has no liquidation rights upon dissolution of LiveCare.

During September 2021, as a measure to prevent a change in control and ensure continuity of management, LiveCare issued 9,000,000 shares of its preferred stock to its Chairman; issued 9,000,000 shares of its preferred stock to its CEO/President; and, issued 9,000,000 shares of its preferred stock its Chief Legal Officer, each of such issued shares valued at \$0.001 per share, or a total of \$27,000.

Common Stock Warrants

During the year ended December 31, 2022, warrants to purchase a total of 142,999 shares of common stock were granted to creditors as partial consideration in connection with the extinguishment of certain notes payable. The warrants are for the purchase of shares of common stock at a price of \$1.00 per share, exercisable at any time until December 31, 2025.

In November 2022, in connection with a short-term loan of \$1,000,000, the Company granted an investor warrants to purchase 1,000,000 shares of common stock at \$1.00 per share. The warrants expired on June 30, 2023. The FMV of these warrants computed using the Black-Scholes model with the assumptions as described below was determined to be \$321,658. However, in connection with the computation of the debt discount related to the debt issuance, the recorded equity valuation of the warrants was \$138,548.

During October 2021, LiveCare agreed to convert \$375,773 of note payable principal into 382,793 shares of common stock and issued 342,493 warrants to purchase LiveCare common stock at a price of \$1.00 per share, exercisable at any time

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until December 31, 2024. LiveCare recognized a loss on debt conversion of \$322,762 based on the fair value of the warrants on the date of grant.

Between July and December 2021, in conjunction with the issuance of 2,774,793 shares of common stock for \$2,774,793 in cash, LiveCare issued 2,774,793 warrants to purchase common stock at a price of \$1.00 per share, exercisable at any time until December 31, 2024.

The following table presents the stock warrant activity during the three years ended December 31, 2024:

	<u>Warrants</u>	<u>Weighted Average Exercise Price (\$)</u>	<u>Weighted Average Remaining Term (years)</u>
Outstanding December 31, 2021	2,774,793	\$ 1.00	2.00
Granted	1,142,999	1.00	0.81
Forfeited/expired	-	-	-
Exercised	-	-	-
Outstanding December 31, 2022	3,917,792	\$ 1.00	1.65
Granted	-	-	-
Forfeited/expired	(1,000,000)	-	-
Exercised	-	-	-
Outstanding December 31, 2023	2,917,792	\$ 1.00	1.05
Granted	-	-	-
Forfeited/expired	(2,917,792)	-	-
Exercised	-	-	-
Outstanding - December 31, 2024	<u>-</u>	\$ -	-
Exercisable – December 31, 2024	<u>-</u>	\$ -	-

The intrinsic value of the exercisable warrants as of December 31, 2024, and December 31, 2023, was \$-0- and \$-0-, respectively.

The Company analyzed the conversion options embedded in the convertible notes (see Note 3 above) for derivative accounting consideration under ASC 815 and determined that the instruments embedded in the above referenced convertible notes should be classified as liabilities and recorded at fair value due to there being no explicit limit to the number of shares to be delivered upon settlement of the conversion options. Because the number of shares to be issued upon settlement of the above referenced convertible notes could not be determined under these instruments, the Company could not determine whether it would have sufficient authorized shares at a given date to settle future share instruments. The fair values of the instruments were determined using a Black-Scholes option-pricing model.

The fair value of the 142,999 warrants issued in connection with the conversion of debt during the year ended December 31, 2022, was computed to be \$135,096 using the Black-Scholes option pricing model and the following key assumptions:

Expected dividends	0.00%
Expected term (years)	3.7
Volatility	196.54%
Risk-free rate	4.22%

In addition, in November 2022, in connection with a short-term loan of \$1,000,000, the Company granted the investor warrants to purchase 1,000,000 shares of common stock at \$1.00 per share. The warrants expire on June 30, 2023. The FMV of these warrants computed using the Black-Scholes options pricing model and the key assumptions as shown below was determined to be \$321,658. However, in connection with the computation of the debt discount related to the debt issuance, the recorded equity valuation of the warrants was \$138,547.

Expected dividends	0.00%
Expected term (years)	0.5
Volatility	114.31%
Risk-free rate	4.76%

Common Stock Shares To Be Issued

At December 31, 2024, there were 5,000,500 shares of common stock to be issued, as compared to 315,000 shares to be issued as of December 31, 2023. All of the unissued shares at December 31, 2023, were granted in connection with several

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loans made to the Company in 2023. A total of 250,000 of those shares remain unissued as of December 31, 2024 because those shares are to be issued only when requested by the lender who has the right to determine the date of issue. The remaining 65,000 shares (50,000 plus 15,000) were granted in connection with two 2023 loan agreements that were subsequently cancelled in 2024 when those debts were exchanged into a new issue of convertible bridge loan notes and, as a result, the grants of those 65,000 shares were cancelled in 2024 and removed from “Common stock shares to be issued”, See Convertible Notes, paragraph (5) above.

In summary, as of December 31, 2024, the 5,000,500 shares of common stock shares to be issued consisted of the following:

- 250,000 shares granted as “equity kickers” in 2023 to one lender in connection with two convertible note offerings, which shares will not be issued until the lender specifically requests issuance;
- 75,000 shares granted as “equity kickers” in 2024 in connection with a convertible note offering, which shares will not be issued until the lender specifically requests issuance;
- 3.5 million shares purchased for cash by an investor who has requested that the shares not be issued until the investor specifically requests issuance;
- 5,000 shares purchased for cash in September that have not yet been issued;
- 620,000 shares granted in December 2024 to extend the maturity of convertible notes; and
- 550,000 shares purchased for \$110,000 in December 2024.

The total values of the unissued shares, recorded as a current liability (“Common stock shares to be issued”) at December 31, 2024, and December 31, 2023, were \$1,165,291 and \$199,167, respectively.

In December 2024, the Company received \$110,000 for the purchase of 550,000 shares of common stock. Those shares had not been issued as of December 31, 2024, so there will be no increase in stockholders’ equity until they are issued, at which time the liability will be eliminated.

In September 2024, an investor purchased 5,000 shares for \$1.00 per share, resulting in a cash infusion of \$5,000. Those shares had not been issued as of December 31, 2024, so there will be no increase in stockholders’ equity until they are issued, at which time the liability will be eliminated.

On December 31, 2025, the Company agreed to issue an additional 620,500 shares to the holders of certain convertible notes (See Convertible Notes, paragraph (5) above.). The convertible notes originally were scheduled to mature on December 21, 2024, but the Company requested that the note holders agree to an extension of the maturity of the convertible notes until April 30, 2025, in return for the incremental 620,500 shares of common stock. The valuation of the shares to be issued was \$142,715 (\$0.23 per share) based upon the market value of the common stock on the date of the extension offer and that amount was expensed in 2024 as an expense of debt conversion and extension. Those shares had not been issued as of December 31, 2024, so there will be no increase in stockholders’ equity until they are issued, at which time the liability will be eliminated.

On April 1, 2024, the Company agreed to issue 75,000 shares of common stock as an “equity kicker” in connection the “Convertible note payable with original cash received of \$150,000, as described above. See Convertible Notes, paragraph (6) above. This agreement resulted in the recording of debt discount of \$40,909 associated with that new convertible debt. The unissued 75,000 shares are to be issued only when requested by the lender who has the right to determine the date of issue, so there will be no increase in stockholders’ equity until they are issued, at which time the liability will be eliminated.

On September 12, 2024, an investor purchased 7.5 million shares of common stock at \$0.20 per shares, resulting in a cash infusion of \$1.5 million. At that time, the Company issued only 4.0 million shares of common stock at the request of the investor. The unissued 3.5 million shares are to be issued only when requested by the investor who has the right to determine the date of issue, so there will be no increase in stockholders’ equity until they are issued, at which time the liability will be eliminated.

As discussed above, the book values of all shares to be issued as “equity kicker” shares were reduced in connection with the computation of the debt discount related to the related debt obligations.

During the second quarter of 2023, the Company issued the 425,000 shares granted in connection with the loan payable proceeds received in December 2022, as described elsewhere herein, that had been carried as a current liability in “Common stock shares to be issued” at December 31, 2022. In addition, also during the fourth quarter of 2023, the Company

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issued a total of 103,200 shares in fulfillment of prior year subscriptions that had also been carried as a current liability in "Common stock shares to be issued" at December 31, 2022.

NOTE 5 - GOING CONCERN

LiveCare's financial statements are prepared using Generally Accepted Accounting Principles applicable to a going concern that contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, LiveCare has accumulated losses since its inception and has negative cash flows from operations, which raise substantial doubt about its ability to continue as a going concern. Management's plans with respect to alleviating the adverse financial conditions that caused management to express substantial doubt about the LiveCare's ability to continue as a going concern are as follows:

LiveCare is seeking to raise up to \$25,000,000 through private placements of its common stock to fund additional operational expenses and expand operations. Funds received from the issuance of debt and equity will be used to fund the development, implementation and marketing of the platform. The continuation of LiveCare as a going concern is dependent upon its ability to implement its business plan and generate profitable operations that produce positive cash flows. If LiveCare is not successful, it may be forced to raise additional debt or equity financing.

There can be no assurance that LiveCare will be able to achieve its business plans, raise the additional required capital or secure the financing necessary to achieve its current operating plan. The ability of LiveCare to continue as a going concern is dependent upon its ability to successfully accomplish the plan described in the preceding paragraph and eventually attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 6 - VARIABLE INTEREST ENTITY ARRANGEMENT

During 2020, LiveCare management entered into a Management Service Agreement ("MSA") with a related party medical service provider, LiveCare FL, an affiliate entity with common management. The MSA requires LiveCare to render business development, marketing, management and administrative services management for LiveCare FL's telemedicine and remote patient monitoring business in exchange for a 95% fixed fee of amounts collected. Under the MSA, LiveCare is to reimburse or provide all of the personnel and external firms for management of billing and collections functions for its remote diabetic monitoring business.

LiveCare has determined it is the primary beneficiary of LiveCare FL due to the MSA terms granting LiveCare management the power to manage and make decisions that affect LiveCare FL operations as well as LiveCare being the primary beneficiary of the LiveCare FL as a result of its requirement to cover expenses and absorb losses of LiveCare FL's only business activity.

As the primary beneficiary of LiveCare FL, LiveCare consolidates LiveCare FL in the consolidated financial statements and all intercompany balances and transactions are eliminated.

We evaluate our relationship with LiveCare FL on an ongoing basis to ensure that we continue to be the primary beneficiary.

Assets of LiveCare FL included in the consolidated balance sheet as of December 31, 2024 consisted of cash totaling \$430 after elimination of intercompany transactions and balances and there were no outstanding liabilities. Revenues for LiveCare FL for the year ended December 31, 2024, were \$7,169,043 and all expenses of LiveCare FL were incurred by and paid by LiveCare as provided by the MSA.

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NOTE 7 - COMMITMENTS AND CONTINGENCIES

Employment Agreements

During 2019, LiveCare entered into an employment agreement with its Chairman providing for an annual base salary of \$210,000 until termination. In December 2021, the Company entered into a new employment agreement with the CEO/President, providing for annual base salary of \$204,000, until termination.

Operating Leases

LiveCare has operating leases for a total of approximately 4,400 square feet of executive office space in Venice, Florida. The leases are for one year with two additional one year lease options for which management does not presently intend to utilize. The leases call for total monthly lease payments of approximately \$12,200.

NOTE 8 - INCOME TAXES

The Company has generated federal and state net operating losses of approximately \$19.0 million that begin to expire in 2029. Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. LiveCare believes that its ability to fully utilize the existing net operating loss carryforwards could be restricted by its ability to generate net taxable income and should a change in ownership occur, net operating loss carryforwards may be limited to use in future years.

In accordance with the statute of limitations for federal tax returns, the Company's federal tax returns for the years 2021 through 2023 are subject to examination.

Net deferred tax assets consist of the following components as of December 31, 2024 and December 31, 2023:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Net operating loss carryforward	\$ 3,979,600	\$ 3,186,301
Other	-	55,649
Property and Equipment	-	(6,167)
Valuation allowance	(3,979,600)	(3,235,783)
	<u>\$ -</u>	<u>\$ -</u>

The Federal income tax provision differs from the amount of income tax determined by applying the U.S. Federal income tax rate of 21% to the loss before income taxes for the year ended December 31, 2024, and 2023, due to the following:

	<u>For the Year Ended</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Los before income taxes	\$ (8,392,260)	\$ (7,441,725)
Federal Income tax rate	21.0%	21.0%
Presumed tax benefit due to loss	\$ (1,762,375)	\$ (1,562,762)
Meals	9,928	4,999
Stock based compensation	-	-
Non-deductible settlements	946,050	-
Changes in accrued payroll	(24,597)	-
Adjustments to prior year provision	-	-
Debt discount amortization	87,178	89,678
Valuation allowance change	743,816	1,468,085
Provision for Federal income taxes	<u>\$ -</u>	<u>\$ -</u>

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NOTE 9 - SETTLEMENT AGREEMENT

On December 4, 2024, the Company executed a settlement agreement (the "Settlement Agreement") with Department of Justice ("DOJ") and received the final approval of the U.S. Department of Health and Human Services Office of the Inspector General ("HHS-OIG"). The Settlement Agreement resolved claims brought by relators under the qui tam provisions of the False Claims Act concerning the Company's marketing practices. The Settlement Agreement also resolved the issues contained in a July 2023 voluntary self-disclosure made by LiveCare to the HHS-OIG concerning its past marketing practices. Pursuant to the settlement, LiveCare has agreed to pay up to \$4.9 million to the Federal government over a period of five years. By settling these claims, LiveCare made no admission of liability.

The Settlement Agreement fully and finally resolved the previously disclosed DOJ investigation and any ancillary claims that have been pending since 2022. Pursuant to the Settlement Agreement, the Company agreed to remit to the government \$4.5 million plus the relator attorney fees of approximately \$102,000, interest of approximately \$564,000 and, potentially, five percent of its gross revenue of the prior year that exceeds a threshold of \$7.5 million commencing in 2024 for a period of 5 years. LiveCare did not admit engaging in any illegal conduct and has agreed to the Settlement Amount without any admission of wrongdoing in order to resolve the allegations and to avoid the uncertainty and expense of protracted litigation. HHS-OIG did not require ongoing compliance monitoring of LiveCare based on the Company's voluntary self-disclosure regarding its billing practices in July 2023.

The Settlement Agreement provided for the payment of the \$4,500,000 amount over several years. Specifically, the specified payments were \$250,000 in early 2025, \$1.0 million by August 31, 2025, \$1.0 million by August 31 of each of the years 2026, 2027 and 2028, and finally \$250,000 by August 31, 2029. Also, subsequent to each of the years 2024 through 2028, the Company would additionally pay five percent of its gross revenue of that year that exceeds a threshold of \$7.5 million. The Company did not reach this \$7.5 million threshold for the 2024 period. In late 2024, the Company made the first payment of \$152,740, consisting of \$125,000 required principal amount due plus \$27,740 interest. Accordingly, remaining \$4,500,000 balance is reported as \$1,250,000 for the amount due in 2025 and \$3,250,00 for the portion of the settlement that is due in periods more than twelve months after December 31, 2024.

In addition, as of December 31, 2024, the Company had a remaining obligation of \$5,000 due in January 2025 on a separate settlement agreement with a third-party.

NOTE 10 - SUBSEQUENT EVENTS

2025 Financing collateralized by receivables with original borrowing amount of \$350,000

Overview: In January 2025, a professional receivables financing firm agreed to make a short-term loan to the Company in the amount of \$350,000, repayable in weekly installments of \$18,000 beginning January 15, 2025, for a total repayment amount of \$504,000. The loan proceeds of \$350,000 were reduced by an upfront administrative fee of \$19,250 that was expensed in January 2025. The total repayment of \$504,000 is fully collateralized by the Company's accounts receivable and certain other assets.

Original Issue Discount: Management determined that the amount of \$154,000 to be paid in excess of the initial \$350,000 of funding received (before administrative fee) should be recorded as original issue discount ("OID") and amortized into expense over the seven month term of the loan. Accordingly, \$154,000 of OID non-cash expense will be amortized at \$22,000 per month over seven months in the period January 2025 through July 2025.

2025 Financing collateralized by receivables with original borrowing amount of \$100,000

Overview: In January 2025, a professional receivables financing firm agreed to make a short-term loan to the Company in the amount of \$100,000, repayable in business day installments of \$999.29 beginning January 15, 2025, for a total repayment amount of \$139,900. The loan proceeds of \$100,000 were reduced by an upfront administrative fee of \$3,000 that was expensed in January 2025. The total repayment of \$139,900 is fully collateralized by the Company's accounts receivable and certain other assets.

Original Issue Discount: Management determined that the amount of \$39,900 to be paid in excess of the initial \$100,000 of funding received (before administrative fee) should be recorded as original issue discount ("OID") and amortized into expense over the seven month term of the loan. Accordingly, \$39,900 of OID non-cash expense will be amortized at \$5,700 per month over seven months in the period January 2025 through July 2025.

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Loans Payable due July 25, 2025 - total original principal of \$550,000

Overview: In January 2025, a group of individual investors agreed to make a common note payable loan to the Company in the combined amount of \$550,000 repayable on the maturity date of July 25, 2025, along with deferred interest of \$66,000 computed at the simple annual rate of 24% for the six months term of the debt. In addition to the promise to repay the loans, the Company agreed to issue to each investor an “equity kicker” of one shares of the Company’s common stock for each \$1.00 loaned to the Company, for a total new issuance of 550,000 shares. The Company agreed to pay loan application, loan due diligence, and loan origination fees totaling \$70,000 to the lenders’ agent as well as the grant of 27,500 shares of the Company’s common stock.

Computation of Debt Discount: Management determined that the FMV of the notes payable debt was \$550,000 (83.3% of the total FMV of the transaction) and the FMV of the common stock of the “equity kicker” of 550,000 shares was \$110,000 (16.7% of the total FMV of the transaction). Accordingly, 16.7% of the FMV of the proceeds, equal to \$91,680, was determined to be the amount of debt discount to be recorded and amortized to expense ratably over the six month term of the loan. Since the loan was made effective January 25, 2025, the Company will report one month of debt discount amortization totaling \$15,280 in February 2025 and each month subsequently through July 2025 (a total of 6 months). Total debt discount amortization in 2025 will be \$91,680.

Original Issue Discount for the Deferred Interest: Management determined that the payment of interest due on July 25, 2025, of \$66,000 in excess of the original notes payable principal should be recorded as original issue discount (“OID”) and amortized ratably to expense over the 6 month term of the loans. Since the loans were effective January 25, 2025, the Company will record one month of the deferred interest original issue discount amortization of \$11,000 every month from February 2025 through July 2025, when the notes payable notes must be repaid. Total amortization of the original issue discount for the deferred interest during 2025 will be \$66,000.