

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)



Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2025



Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _ to

CLEARTRONIC, INC.

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation or organization)

65-0958798

(I.R.S. Employer Identification No.)

28050 US Hwy 19N

Clearwater, Florida

(Address of principal executive offices)

33761

(Zip Code)

Registrant's telephone number, including area code: **813-289-7620**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer ☐

Non-accelerated filer ☒

Accelerated filer ☐

Smaller reporting company ☒

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 12(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock Par Value \$0.00001	CLRI	NONE

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 229,160,695 shares as of July 29, 2025.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

CLEARTRONIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2025 (unaudited)	September 30, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 776,646	\$ 849,727
Accounts receivable, net of an allowance for credit losses of \$60,665 as of June 30, 2025 and \$60,665 as of September 30, 2024	162,378	230,686
Inventory	30,103	41,532
Prepaid expenses and other current assets	148,184	82,196
Total current assets	1,117,311	1,204,141
Property and Equipment, net	35,998	40,832
Intangible Asset - customer list, net	40,833	48,333
Operating lease - right-of-use asset	-	5,983
Total assets	\$ 1,194,142	\$ 1,299,289
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	\$ 138,352	\$ 121,889
Deferred revenue	1,386,300	1,373,325
Operating lease liability	-	6,506
Total liabilities	1,524,652	1,501,720
Commitments and Contingencies (See Note 6)		
Stockholders' (deficit) equity:		
Series A preferred stock - \$.00001 par value; 512,996 shares authorized, 512,996 issued and outstanding, respectively.	5	5
Series B preferred stock - \$.00001 par value; 10 shares authorized, 0 shares issued and outstanding, respectively.	-	-
Series C preferred stock - \$.00001 par value; 50,000,000 shares authorized, 3,133,503 and 3,133,503 shares issued and outstanding, respectively.	32	32
Series D preferred stock - \$.00001 par value; 10,000,000 shares authorized, 670,904 shares issued and outstanding, respectively.	7	7
Series E preferred stock - \$.00001 par value; 10,000,000 shares authorized, 3,000,000 shares issued and outstanding, respectively.	30	30
Common stock - \$.00001 par value; 5,000,000,000 shares authorized, 229,160,695 and 229,160,695, shares issued and outstanding, respectively.	2,291	2,291
Additional paid-in capital	15,240,104	15,240,104
Accumulated Deficit	(15,572,979)	(15,444,900)
Total stockholders' deficit	(330,510)	(202,431)
Total liabilities and stockholders' deficit	\$ 1,194,142	\$ 1,299,289

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

CLEARTRONIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024	For the Nine Months Ended June 30, 2025	For the Nine Months Ended June 30, 2024
Revenue	\$ 1,078,530	\$ 1,005,050	\$ 3,001,557	\$ 2,183,110
Cost of Revenue	263,509	319,728	659,098	592,975
Gross Profit	815,021	685,322	2,342,459	1,590,135
Operating Expenses:				
Selling expenses	85,840	79,913	203,830	218,062
Administrative expenses	781,633	522,515	2,265,269	1,386,798
Depreciation and amortization expense	5,414	2,293	16,619	5,140
Research and development	2,000	2,000	8,000	18,603
Total Operating Expenses	874,887	606,721	2,493,718	1,628,603
Gain on the settlement of accounts payable	-	-	-	42,941
Interest income/expense, net	9,004	6,255	23,180	19,959
Total Other Income/(Expenses)	9,004	6,255	23,180	62,900
Loss (Income) before income taxes	(50,862)	84,856	(128,079)	24,432
Provision for income taxes from continuing operations	-	-	-	-
Net (loss) income	(50,862)	84,856	(128,079)	24,432
Preferred stock dividends Series A Preferred	(10,231)	(10,231)	(30,692)	(30,805)
Net (loss) income attributable to common stockholders	\$ (61,093)	\$ 74,625	\$ (158,771)	\$ (6,373)
Net (loss) income per common share - basic	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ (0.00)
Net (loss) income per common share - diluted	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00
Weighted Average of number of shares outstanding - basic	229,160,695	229,160,695	229,160,695	229,160,695
Weighted Average of number of shares outstanding - diluted	229,160,695	599,482,330	229,160,695	599,482,330

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

CLEARTRONIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY/(DEFICIT)
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2025
(Unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Series D Preferred Stock		Series E Preferred Stock		Common Stock		Additional Paid-in capital	Accumulated Deficit	Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at September 30, 2024	512,996	\$ 5	-	\$ -	3,133,503	\$ 32	670,904	\$ 7	3,000,000	\$ 30	229,160,695	\$ 2,291	\$15,240,104	\$ (15,444,900)	\$ (202,431)
Net loss for the nine months ended June 30, 2025	-	-	-	-	-	-	-	-	-	-	-	-	-	(128,079)	(128,079)
Balance at June 30, 2025 (Unaudited)	<u>512,996</u>	<u>\$ 5</u>	<u>-</u>	<u>\$ -</u>	<u>3,133,503</u>	<u>\$ 32</u>	<u>670,904</u>	<u>\$ 7</u>	<u>3,000,000</u>	<u>\$ 30</u>	<u>229,160,695</u>	<u>\$ 2,291</u>	<u>\$15,240,104</u>	<u>\$ (15,572,979)</u>	<u>\$ (330,510)</u>
Balance at March 31, 2025 (Unaudited)	<u>512,996</u>	<u>\$ 5</u>	<u>-</u>	<u>\$ -</u>	<u>3,133,503</u>	<u>\$ 32</u>	<u>670,904</u>	<u>\$ 7</u>	<u>3,000,000</u>	<u>\$ 30</u>	<u>229,160,695</u>	<u>\$ 2,291</u>	<u>\$15,240,104</u>	<u>\$ (15,522,117)</u>	<u>\$ (279,648)</u>
Net loss for the three months ended June 30, 2025	-	-	-	-	-	-	-	-	-	-	-	-	-	(50,862)	(50,862)
Balance at June 30, 2025 (Unaudited)	<u>512,996</u>	<u>\$ 5</u>	<u>-</u>	<u>\$ -</u>	<u>3,133,503</u>	<u>\$ 32</u>	<u>670,904</u>	<u>\$ 7</u>	<u>3,000,000</u>	<u>\$ 30</u>	<u>229,160,695</u>	<u>\$ 2,291</u>	<u>\$15,240,104</u>	<u>\$ (15,572,979)</u>	<u>\$ (330,510)</u>

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

CLEARTRONIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2024
(Unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Series D Preferred Stock		Series E Preferred Stock		Common Stock		Additional paid-in capital	Accumulated deficit	Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at September 30, 2023	512,996	\$ 5	-	\$ -	3,133,503	\$ 32	670,904	\$ 7	3,000,000	\$ 30	229,160,695	\$ 2,291	\$15,240,104	\$ (15,237,292)	\$ 5,177
Net income for the nine months ended June 30, 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	24,432	24,432
Balance at June 30, 2024 (Unaudited)	<u>512,996</u>	<u>\$ 5</u>	<u>-</u>	<u>\$ -</u>	<u>3,133,503</u>	<u>\$ 32</u>	<u>670,904</u>	<u>\$ 7</u>	<u>3,000,000</u>	<u>\$ 30</u>	<u>229,160,695</u>	<u>\$ 2,291</u>	<u>\$15,240,104</u>	<u>\$ (15,212,860)</u>	<u>\$ 29,609</u>
Balance at March 31, 2024	512,996	\$ 5	-	\$ -	3,133,503	\$ 32	670,904	\$ 7	3,000,000	\$ 30	229,160,695	\$ 2,291	\$15,240,104	\$ (15,297,716)	\$ (55,247)
Net income for the three months ended June 30, 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	84,856	84,856
Balance at June 30, 2024 (Unaudited)	<u>512,996</u>	<u>\$ 5</u>	<u>-</u>	<u>\$ -</u>	<u>3,133,503</u>	<u>\$ 32</u>	<u>670,904</u>	<u>\$ 7</u>	<u>3,000,000</u>	<u>\$ 30</u>	<u>229,160,695</u>	<u>\$ 2,291</u>	<u>\$15,240,104</u>	<u>\$ (15,212,860)</u>	<u>\$ 29,609</u>

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

CLEARTRONIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited)

	For the Nine Months Ended June 30, 2025	For the Nine Months Ended June 30, 2024
NET (LOSS) INCOME	\$ (128,079)	\$ 24,432
Cash Flows From Operating Activities		
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization expense	16,619	17,948
Amortization of operating lease - right-of-use asset	5,983	5,140
Extinguishment of liabilities	-	(42,941)
Provision for credit losses	20,500	9,000
Loss on sale of fixed asset	483	
(Increase) decrease in assets:		
Accounts receivable	47,808	129,880
Inventory	11,429	(107,997)
Prepaid expenses and other current assets	(65,988)	(5,137)
Increase (decrease) in liabilities:		
Accounts payable	16,463	84,300
Deferred revenue	12,975	301,998
Operating lease liability	(6,506)	(18,202)
Net Cash (Used in) Provided by Operating Activities	<u>(68,313)</u>	<u>398,421</u>
Cash Flows From Investing Activities		
Purchase of fixed assets	(4,768)	-
Purchase of intangible assets	-	(126,185)
Net Cash Used in Investing Activities	<u>(4,768)</u>	<u>(126,185)</u>
Cash Flows From Financing Activities	-	-
Net increase in cash	(73,081)	272,236
Cash at beginning of period	<u>849,727</u>	<u>516,955</u>
Cash at end of period	<u>\$ 776,646</u>	<u>\$ 789,191</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>

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

CLEARTRONIC, INC. AND SUBSIDIARY
Notes to Condensed Consolidated Financial Statements
June 30, 2025
(Unaudited)

NOTE 1 - ORGANIZATION

Cleartronic, Inc. (the “Company”) was incorporated in Florida on November 15, 1999. All current operations are conducted through the Company’s wholly owned subsidiary, ReadyOp Communications, Inc. (“ReadyOp”), a Florida corporation incorporated on September 15, 2014. ReadyOp facilitates the marketing and sales of subscriptions to the ReadyOp™, ReadyMed™ and Alastar™ platforms and the AudioMate IP gateways discussed below.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The accompanying unaudited consolidated financial statements contain the consolidated accounts of Cleartronic, Inc. and its subsidiary, ReadyOp Communications, Inc. All material intercompany transactions and balances have been eliminated.

BASIS OF PRESENTATION

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). The unaudited interim financial information furnished herein reflects all adjustments, consisting only of normal recurring items, which in the opinion of management are necessary to fairly state the Company’s financial position, results of operations and cash flows for the dates and periods presented and to make such information not misleading.

These unaudited financial statements should be read in conjunction with the Company’s audited financial statements for the year ended September 30, 2024, contained in our General Form for Registration of Securities of Form 10-K as filed with the Securities and Exchange Commission (the “Commission”) on March 21, 2025. The results of operations for the three and nine months ended June 30, 2025, are not necessarily indicative of results to be expected for any other interim period or the fiscal year ending September 30, 2025.

USE OF ESTIMATES

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and operations for the reporting period. Although these estimates are based on management’s knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results. Significant estimates include the assumptions used in valuation of deferred tax assets, estimated useful life of property and equipment, valuation of inventory, intangible assets and allowance for credit losses.

RECLASSIFICATIONS

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no material effect on the consolidated results of operations, stockholders’ equity, or cash flows.

CASH AND CASH EQUIVALENTS

For financial statement purposes, the Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

The Company has investments Treasury Bills. The Treasury Bills have remaining terms ranging from four-weeks to thirteen weeks on June 30, 2025. Treasury Bills with an original maturity date of three months or less are included within cash and cash equivalents on the balance sheet at June 30, 2025.

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

The Company maintains current receivable amounts with most of its customers. The Company regularly monitors and assesses its risk of not collecting amounts owed by customers. This evaluation is based upon an analysis of current and past due amounts, along with relevant history and facts particular to the customer. The Company records its allowance for credit losses based on the results of this analysis. The analysis requires the Company to make significant estimates and as such, changes in facts and circumstances could result in material changes in the allowance for credit losses. The Company considers as past due any receivable balance not collected within its contractual terms.

The Company provided \$60,665 and \$60,665 allowances for doubtful accounts as of June 30, 2025, and September 30, 2024, respectively.

INVENTORY

Inventory consists of components held for assembly and finished goods held for resale or to be utilized for installation in projects. Inventory is valued at lower of cost or net realizable value on a first-in, first-out basis. The Company’s policy is to record a reserve for technological obsolescence or slow-moving inventory items. The Company only carries finished goods to be shipped along with completed circuit boards and parts necessary for final assembly of finished product. All existing inventory is considered current and usable. The Company recorded no reserve for obsolete inventory as of June 30, 2025 and September 30, 2024, respectively.

At June 30, 2025 inventory was \$30,103 of raw materials and finished goods.

At September 30, 2024, inventory was \$41,532 of raw materials and finished goods.

PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist primarily of deferred subscriber costs and prepaid expenses. Deferred subscriber costs totaled \$51,000 and \$38,250 at June 30, 2025 and September 30, 2024, respectively. Prepaid expenses totaled \$148,184 and \$82,196 at June 30, 2025 and September 30, 2024, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated or amortized using the straight-line method over the estimated useful life of the asset or the underlying lease term for leasehold improvements, whichever is shorter or when the property and equipment is put into service.

IMPAIRMENT OF LONG-LIVED ASSETS

Management evaluates the recoverability of the Company’s identifiable intangible assets and other long-lived assets when events or circumstances indicate a potential impairment exists, in accordance with the provisions of ASC 360-10-35-15 “Impairment or Disposal of Long-Lived Assets.”

If impairment is indicated based on a comparison of the assets' carrying values and the undiscounted cash flows, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

There were no impairments recorded during the three and nine months ended June 30, 2025 and 2024, respectively.

INTANGIBLE ASSETS – FedRamp

During the year ended September 30, 2024, the Company conducted an impairment assessment in accordance with ASC 350-30-35 and determined that all previously capitalized amounts associated with the Company’s expenses related to its FedRAMP certification are no longer deemed recoverable as described in ASC 350-30-35. As a result, the Company recognized an impairment loss of \$44,373 for the year ended September 30, 2024.

At June 30, 2025 and September 30, 2024, intangible assets, net, is as follows:

	For the nine months ended June 30, 2025	For the year ended September 30, 2024
Intangible Assets	\$ -	\$ 44,373
Less: Impairment Loss	-	(44,373)
Total Intangible Assets, net	\$ -	\$ -

ASSET PURCHASE - INTANGIBLE ASSET – CLIENT LIST

Accounting for asset acquisitions falls under the guidance of Topic 805, Business Combinations, specifically Subtopic 805-50. A cost accumulation model is used to determine an asset acquisition’s cost. Assets acquired are based on their cost, generally allocated to them on a relative fair value basis. Direct acquisition-related costs are included in the cost of the acquired assets. No goodwill is calculated in an asset acquisition.

On August 1, 2024, the Company acquired a group of similar assets from Alastar, Inc. (“Alastar”) for \$50,000.

This asset group consisted of cash, prepaids and other current assets, as well as intellectual property including trademarks, software platforms, and a client list. The client list was the only asset ascribed value which was deemed to have continuing value to the Company. The Company has classified this client list as an intangible asset, which will be amortized over 5 years.

The table below summarizes the estimated fair value of the assets acquired and the liabilities assumed at the effective acquisition date.

Consideration	
Cash	\$ 50,000
Fair Value of consideration transferred	\$ 50,000
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Cash	\$ 260,863
Prepaid expenses and other current assets	\$ 29,639
Total assets acquired	\$ 290,502
Deferred Revenue	\$ 290,502
Total liabilities assumed	\$ 290,502
Total identifiable net assets	\$ -
Intangible Assets - Client List	\$ 50,000

At June 30, 2025 and September 30, 2024, intangible asset – client list, net, is as follows:

	For the nine months ended June 30, 2025	For the year ended September 30, 2024
Intangible Assets – Customer Lists	\$ 50,000	\$ 50,000
Less: Accumulated Amortization	(9,167)	(1,667)
Total Intangible Assets, net	\$ 40,833	\$ 48,333

Amortization expense for the nine months ended June 30, 2025 and 2024, was \$7,500 and \$0, respectively.

Estimated future amortization expense for the nine months ended June 30,

2025 (3 Months)	\$ 2,500
2026	10,000
2027	10,000
2028	10,000
2029	8,333
	\$ 40,833

CONCENTRATION OF CREDIT RISK

The Company currently maintains cash balances at one FDIC-insured banking institution. Deposits held in non interest-bearing transaction accounts are insured up to a maximum of \$250,000 at all FDIC-insured institutions. As of June 30, 2025 and September 30, 2024, the Company had \$0 and \$92,982, respectively, in excess of FDIC insured limits.

RESEARCH AND DEVELOPMENT COSTS

The Company expenses research and development costs as incurred.

For the three months ended June 30, 2025 and 2024, the Company had \$2,000 and \$2,000 respectively, in research and development costs.

For the nine months ended June 30, 2025 and 2024, the Company had \$8,000 and \$18,603 respectively, in research and development costs.

REVENUE RECOGNITION AND DEFERRED REVENUES

The Company revenue recognition policy follows guidance from Accounting Standards Codification (“ASC”) 606, Revenue from contract with customers. Revenue is recognized when the Company has transferred promised goods and services to the customer and in the amount that reflects the consideration to which the company expects to be entitled for the exchange for those goods and services. The Company applies the following five-step model to determine this amount:

- i. Establishment of a contract with the customer;
- ii. Identify the performance obligation of the contract;
- iii. Determine transaction price
- iv. Allocation of the transaction price to the performance obligations; and
- v. Recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company generates revenue primarily through the sale of software licenses and integrated hardware. The portion of the contract that is associated with ongoing hosting and related customer service is amortized monthly over the license period. The Company incurs certain incremental contract costs (referred to as deferred subscriber acquisition costs, net) including selling expenses (primarily commissions) related to acquiring customers. Deferred subscriber acquisition costs, net are included in prepaid expenses and other current assets on the consolidated balance sheet. Commissions paid in connection with acquiring new customers are determined based on the value of the contractual fees. Deferred subscriber acquisition costs are expensed as incurred on the date the revenue associated with the cost is recognized.

In transactions in which hardware is sold to a customer, the Company recognizes the revenue when the hardware has been shipped to the customer. The hardware supplied by the Company does not require a related software license and can be operated and fully functional without the Company’s software.

From time to time clients request special training meetings. We send employees to these meetings and charge our clients on a per diem basis. These charges are recorded as consulting fees in our income statement.

Customer billings for services not yet rendered and hardware not yet installed are deferred and recognized as revenue as services are provided. These fees are recorded as current deferred revenue on the consolidated balance sheet as the Company expects to satisfy any remaining performance obligations as well as recognize the related revenue within the next twelve months. Accordingly, the Company has applied the practical expedient regarding deferred revenue to exclude the value of remaining performance obligations if (i) the contract has an original expected term of one year or less or (ii) the Company recognizes revenue in proportion to the amount it has the right to invoice for services performed.

As of June 30, 2025 and September 30, 2024, respectively, the Company recorded \$1,386,300 and \$1,373,325, respectively, in deferred revenue.

DISAGGREGATED REVENUE

The following table sets forth the approximate net sales by primary category:

	For the three months ended	
	June 30, 2025	June 30, 2024
Licensing of ReadyOp Software	\$ 948,892	\$ 702,446
Hardware Sales and Consulting	129,638	302,604
Total	<u>\$ 1,078,530</u>	<u>\$ 1,005,050</u>

	For the nine months ended	
	June 30, 2025	June 30, 2024
Licensing of ReadyOp Software	\$ 2,680,468	\$ 1,842,411
Hardware Sales and Consulting	321,089	340,699
Total	<u>\$ 3,001,557</u>	<u>\$ 2,183,110</u>

DEFERRED REVENUE

The following table provides a summary of the changes included in deferred revenue during the nine months ended June 30, 2025 and year ended September 30, 2024:

	For the three months ended June 30, 2025	For the year ended September 30, 2024
Beginning balance	\$ 1,373,325	\$ 1,177,680
Additions to deferred liability (1)	3,014,532	3,321,793
Deductions to deferred liability (2)	(3,001,557)	(3,126,148)
Ending balance	<u>\$ 1,386,300</u>	<u>\$ 1,373,325</u>

- (1) Customer billings for services not yet rendered and hardware not yet installed
- (2) Revenue recognized in the current year related to the deferred liability

EARNINGS PER SHARE

Earnings per share (“EPS”) are the amount of earnings attributable to each share of common stock. For convenience, the term is used to refer to either earnings or loss per share. EPS is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Pursuant to ASC Paragraphs 260-10-45-10 through 260-10-45-16, basic EPS shall be computed by dividing income available to common stockholders (the numerator) by the weighted-average number of common shares outstanding (the denominator) during the period. Income available to common stockholders shall be computed by adding both the dividends declared in the period on preferred stock (whether or not paid) and the dividends accumulated for the period on cumulative preferred stock (whether or not earned) from income from continuing operations (if that amount appears in the income statement) and also from net income. The computation of diluted EPS is similar to the computation of basic EPS except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued during the period to reflect the potential dilution that could occur from common shares issuable through contingent shares issuance arrangement, stock options or warrants.

Pursuant to ASC Paragraphs 260-10-45-45-21 through 260-10-45-45-23 Diluted EPS shall be based on the most advantageous conversion rate or exercise price from the standpoint of the security holder. The dilutive effect of outstanding call options and warrants (and their equivalents) issued by the reporting entity shall be reflected in diluted EPS by application of the treasury stock method unless the provisions of paragraphs 260-10-45-35 through 45-36 and 260-10-55-8 through 55-11 require that another method be applied. Equivalents of options and warrants include non-vested stock granted to employees, stock purchase contracts, and partially paid stock subscriptions (see paragraph 260-10-55-23). Anti-dilutive

contracts, such as purchased put options and purchased call options, shall be excluded from diluted EPS. Under the treasury stock method: a. Exercise of options and warrants shall be assumed at the beginning of the period (or at time of issuance, if later) and common shares shall be assumed to be issued. b. The proceeds from exercise shall be assumed to be used to purchase common stock at the average market price during the period. (See paragraphs 260-10-45-29 and 260-10-55-4 through 55-5.) c. The incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) shall be included in the denominator of the diluted EPS computation.

As of June 30, 2025 and 2024, we had no options and warrants outstanding.

As of June 30, 2025 and 2024, we had 512,996 shares of Series A Convertible Preferred stock outstanding, which are convertible into 51,299,600 shares of common stock.

As of June 30, 2025 and 2024, we had 3,133,503 shares of Series C Convertible Preferred stock outstanding which are convertible into 15,667,515 and shares of common stock.

As of June 30, 2025 and 2024, we had 670,904 shares of Series D Preferred stock outstanding which are convertible into 3,354,520 shares of common stock.

As of June 30, 2025 and 2024, we had 3,000,000 shares of Series E Convertible Preferred stock outstanding which are convertible into 300,000,000 shares of common stock. The table below details the computation of basic and diluted earnings per share ("EPS") for the three and nine months ended June 30, 2025 and 2024:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Net (loss) income attributable to common stockholders for the period	\$ (61,093)	\$ 74,625
Weighted average number of shares outstanding	229,160,695	229,160,695
Basic earnings per share	\$ (0.00)	\$ 0.00

The following table sets for the computation of diluted earnings per share:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Net (loss) income attributable to common stockholders for the period	\$ (61,093)	\$ 74,625
Add: Preferred stock dividends	10,231	10,231
Adjusted net (loss) income	\$ (50,862)	\$ 84,856
Weighted average number of shares outstanding	229,160,695	229,160,695
Add: Shares issued upon conversion of preferred stock	-	370,321,635
Weighted average number of common and common equivalent shares	229,160,695	599,482,330
Diluted earnings per share	\$ (0.00)	\$ 0.00

	For the nine months ended June 30, 2025	For the nine months ended June 30, 2024
Net (loss) attributable to common stockholders for the period	\$ (158,771)	\$ (6,373)
Weighted average number of shares outstanding	229,160,695	229,160,695
Basic earnings per share	\$ (0.00)	\$ 0.00

The following table sets for the computation of diluted earnings per share:

	For the nine months ended June 30, 2025	For the nine months ended June 30, 2024
Net (loss) attributable to common stockholders for the period	\$ (158,771)	\$ (6,373)
Add: Preferred stock dividends	30,692	30,805
Adjusted net (loss) income	\$ (128,079)	\$ 24,432
Weighted average number of shares outstanding	229,160,695	229,160,695
Add: Shares issued upon conversion of preferred stock	-	370,321,635
Weighted average number of common and common equivalent shares	229,160,695	599,482,330
Diluted earnings per share	\$ (0.00)	\$ 0.00

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company measures the fair value of its assets and liabilities under ASC topic 820, "Fair Value Measurements and Disclosures". ASC 820 defines "fair value" as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There was no impact relating to the adoption of ASC 820 to the Company's consolidated financial statements.

ASC 820 also describes three levels of inputs that may be used to measure fair value:

- Level 1: Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities traded in active markets.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs that are generally observable. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial instruments consist principally of cash, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued expenses and deferred revenue. The carrying amounts of such financial instruments in the accompanying consolidated balance sheet approximate their fair values due to their relatively short-term nature. The carrying amounts approximate fair value. It is management's opinion that the Company is not exposed to any significant currency or credit risks arising from these financial instruments.

As of June 30, 2025 and September 30, 2024, we held no assets that were required to be measured at fair value on a recurring basis. There were no transfers between levels in the fair value hierarchy during the nine months ended June 30, 2025 and year ended September 30, 2024, respectively.

ADVERTISING COSTS

Advertising costs are expensed as incurred. The Company had advertising costs of \$2,523 and \$17,889 during the three months ended June 30, 2025 and 2024, respectively.

Advertising costs are expensed as incurred. The Company had advertising costs of \$14,760 and \$40,594 during the nine months ended June 30, 2025 and 2024, respectively.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures*, to require enhanced disclosures that include reportable segment expenses. The amendments in this update provide that a business entity disclose significant segment expenses, segment profit or loss (after significant segment expenses), and allows reporting of additional measures of a segments profit or loss if used in assessing segment performance. Such disclosures apply to entities with a single reportable segment. These amendments were effective for the Company in 2024 and retrospectively to all prior periods using the significant segment expense categories identified. The impact of the adoption of the amendments in this update was not material to the Company's consolidated financial position and results of operations, as the requirements impact only segment reporting disclosures in the footnotes to the Company's consolidated financial statements.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The Company continues to monitor new accounting pronouncements issued by the FASB and does not believe any accounting pronouncements issued through the date of this report will have a material impact on the Company's Financial Statements.

In the current year, the Company adjusted its classification of selling and administrative expenses in the Statement of Operations. For comparative purposes, amounts in the prior years have been reclassified to conform to current year presentations. These reclassifications had no effect on previously reported results of operations or retained earnings.

SEGMENT REPORTING

Operating segments are defined as components of an enterprise that have the following characteristics: (i) they engage in business activities from which they may earn revenue and incur expense, (ii) their operating results are regularly reviewed by the chief operating decision maker ("CODM") for resource allocation decisions and performance assessment, and (iii) their discrete financial information is available. Our CODM is our Chief Executive Officer, who manages and allocates resources to our operations on a consolidated basis. We operate as one segment, and ReadyOp facilitates the marketing and sales of subscriptions to the ReadyOp™, ReadyMed™ and Alastar platforms and the AudioMate IP gateways. Segment information is further described in Note 8.

LEASE ACCOUNTING

We determine if an arrangement is a lease, or contains a lease, at inception and record the leases in our financial statements upon lease commencement, which is the date when the underlying asset is made available for use by the lessor. We currently have no lease agreements in place.

When we have a lease agreement with lease and non-lease components, we have elected to utilize the practical expedient to account for lease and non-lease components together as a single combined lease component, from both a lessee and lessor perspective with the exception of direct sales-type leases and production equipment classes embedded in supply agreements. From a lessor perspective, the timing and pattern of transfer are the same for the non-lease components and associated lease component and, the lease component, if accounted for separately, would be classified as an operating lease.

We have elected not to present short-term leases on the balance sheet as these leases have a lease term of 12 months or less at lease inception and do not contain purchase options or renewal terms that we are reasonably certain to exercise. All other lease assets and lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. If a lease does not provide an implicit rate of return, we used our incremental borrowing rate based on the information available at lease commencement date in determining the present value of lease payments.

In general, leases, where we are the lessee, may include options to extend the lease term. These leases may include options to terminate the lease prior to the end of the agreed upon lease term. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that we will exercise such options.

Lease expense for operating leases is recognized on a straight-line basis over the lease term as cost of revenues or operating expenses depending on the nature of the leased asset. Certain operating leases provide for annual increases to lease payments based on an index or rate. We calculate the present value of future lease payments based on the index or rate at the lease commencement date.

Differences between the calculated lease payment and actual payment are expensed as incurred. Amortization of finance lease assets is recognized over the lease term as cost of revenues or operating expenses depending on the nature of the leased asset.

On December 2, 2022, and effective on January 1, 2023, the Company signed a two-year lease of 1,145 square feet for our principal offices in Clearwater, Florida. The monthly rent was \$2,134 in year one and increases to \$2,198 in year two. The lease expired on December 31, 2024. Our current office space lease is month-to-month.

The tables below present information regarding the Company's operating lease assets and liabilities at June 30, 2025 and September 30, 2024:

	June 30, 2025	September 30, 2024
Assets		
Operating lease -right-of-use assets-non-current	\$ -	\$ 5,983
Liabilities		
Operating lease liability	\$ -	\$ 6,506
Weighted-average remaining lease term (years)	-	0.25
Weighted-average discount rate	8%	8%
The components of lease expense were as follows:		
Operating lease cost		
Amortization on right-of-use operating lease asset	\$ 5,983	\$ 23,932
Lease liability expense in connection with obligation repayment	87	1,604
Total operating lease costs	\$ 6,070	\$ 25,536

Supplemental cash outflows information related to operation lease was as follows:

Operating cash outflows from operating lease (obligation payment)	\$ 6,594	\$ 26,184
Right-of-use asset obtained in exchange for new operating lease liability	\$ -	\$ -

At June 30, 2025, the Company has no financing leases as defined in ASC 842, “Leases.”

Future minimum lease payments required under leases that have initial or remaining non-cancelable lease terms in excess of one year at June 30, 2025:

2025	\$	-
Total undiscounted cash flows		-
Less: amount representing interest		-
Present value of operating lease liability		-
Less: current portion of operation lease liability		(-)
Long-term operating lease liability	\$	-

NOTE 3 – PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

At June 30, 2025 and September 30, 2024, property and equipment, net, is as follows:

	For the nine months ended June 30, 2025	For the year ended September 30, 2024
Office Equipment	\$ 62,875	\$ 60,175
Less: Accumulated Depreciation	(26,877)	(19,343)
Total Property and Equipment, net	\$ 35,998	\$ 40,832

Depreciation expense for the three months ended June 30, 2025 and 2024, was \$2,913 and \$2,293, respectively.

Depreciation expense for the nine months ended June 30, 2025 and 2024, was \$9,076 and \$5,140, respectively.

NOTE 4 - EQUITY TRANSACTIONS

Preferred Stock Dividends

As of June 30, 2025 and September 30, 2024, the cumulative arrearage of undeclared dividends for Series A Preferred stock totaled \$278,021 and \$247,329, respectively and \$30,692 for the nine months ended June 30, 2025.

As of the date of this report, we have 200,000,000 authorized shares of preferred stock, par value \$0.00001 per share, of which 7,317,403 shares were issued and outstanding. There are currently 5 series of preferred stock designated as follows:

- 1,250,000 shares have been designated as Series A Preferred Stock, 512,996 of which are issued and outstanding;
- 10 shares have been designated as Series B Preferred Stock, none of which is issued and outstanding;
- 50,000,000 shares have been designated as Series C Preferred Stock, 3,133,503 of which are issued and outstanding; and
- 10,000,000 shares have been designated Series D Preferred stock, of which 670,904 are issued and outstanding; and
- 10,000,000 shares have been designated Series E Preferred stock, of which 3,000,000 are issued and outstanding.

Pursuant to our Articles of Incorporation establishing our preferred stock:

- A holder of shares of the Series A Preferred Stock is entitled to the number of votes equal to the number of shares of the Series A Preferred Stock held by such holder multiplied by one on all matters submitted to a vote of our stockholders. Each one share of our Series A Preferred Stock shall be convertible into 100 shares of our common stock. Each holder of Series A Preferred Stock is entitled to receive cumulative dividends at the rate of 8% of \$1.00 per annum on each outstanding share of Series A Preferred Stock then held by such holder, on a pro rata basis.
- A holder of shares of the Series B Preferred Stock is entitled to one vote per share on all matters submitted to a vote of our stockholders. If at least one share of Series B Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series B Preferred Stock at any given time, regardless of their number, shall have voting rights equal to two times the sum of the total number of shares of our common stock which are issued and outstanding at the time of voting, plus the total number of shares of any shares of our preferred stock which are issued and outstanding at the time of voting. A holder of shares of the Series B Preferred Stock shall have no conversion rights or rights to dividends.
- A holder of shares of the Series C Preferred Stock is entitled to the number of votes equal to the number of shares of the Series C Preferred Stock held by such holder multiplied by 5 on all matters submitted to a vote of our stockholders. In addition, the holders of our Series C Preferred Stock shall be entitled to receive dividends when, as and if declared by the Board of Directors, in its sole discretion. No dividends have been declared. Finally, each one share of our Series C Preferred Stock shall be convertible into five shares of our common stock.
- A holder of shares of the Series D Preferred Stock is entitled to the number of votes equal to the number of shares of the Series D Preferred Stock held by such holder multiplied by 5 on all matters submitted to a vote of our stockholders. In addition, the holders of our Series D Preferred Stock shall be entitled to receive dividends when, as and if declared by the Board of Directors, in its sole discretion. No dividends have been declared. Finally, each one share of our Series D Preferred Stock shall be convertible into five shares of our common stock.
- A holder of shares of the Series E Preferred Stock is entitled to the number of votes equal to the number of shares of the Series E Preferred Stock held by such holder multiplied by 100 on all matters submitted to a vote of our stockholders. In addition, the holders of our Series E Preferred Stock shall be entitled to receive dividends when, as and if declared by the Board of Directors, in its sole discretion. No dividends have been declared. Finally, each one share of our Series E Preferred Stock shall be convertible into 100 shares of our common stock.

Preferred Stock Classification

The Company applies the guidance outlined in ASC 480, Distinguishing Liabilities from Equity, to determine the appropriate classification and measurement of preferred stock. Under ASC 480-10-25-4, financial instruments that embody an obligation to repurchase equity shares or require mandatory redemption at a fixed or determinable date must be classified as liabilities and measured at fair value.

Preferred shares that are conditionally redeemable - including those redeemable at the option of the holder or subject to redemption upon the occurrence of events outside the issuer’s control—are classified as temporary equity in accordance with ASC 480-10-S99-3A. Conversely, preferred shares that do not contain redemption provisions are appropriately classified

as permanent equity.

None of the Company's Series A, B, C, D, or E Preferred Stock contain any redemption rights, whether mandatory or conditional. Because no redemption provisions exist, these shares do not meet the criteria for liability classification under ASC 480-10-25-7. Furthermore, since redemption is not possible under any circumstances, the shares do not qualify as temporary equity under ASC 480-10-S99-3A. Accordingly, the preferred stock is properly classified as permanent equity.;

Since the Company has a stockholders' deficit, all issuances of Series A, B, C, D, and E Preferred Stock are presented as a component of stockholders' deficit in the financial statements.

Stock repurchase program

On January 6, 2023, the Board of Directors approved a stock repurchase program pursuant to which the Company may repurchase shares of its outstanding common stock. The repurchase program may be extended, suspended, or discontinued at any time. As of June 30, 2025 and 2023, no common stock was repurchased.

NOTE 5 - RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2025 and 2024, the Company paid \$9,000 and \$9,000, respectively, to a related party consultant.

During the nine months ended June 30, 2025 and 2024, the Company paid \$27,000 and \$30,000, respectively, to a related party consultant.

As of September 30, 2024, the Company owed \$1,024 to the Company's Chief Executive Officer for the Company's operating expenses. The amount was repaid in October 2024.

Prior to September 30, 2024, the Company advanced \$53,302 to VoiceInterop, the Company's former wholly owned subsidiary and now 96% owned by our shareholders. The advance was related to certain expenses paid on VoiceInterop behalf by the Company. As of September 30, 2024, the Company recorded \$5,589 in interest receivable - related party. In September 2024, the Company determined that it is probable the Company will not recover its loan principal and interest. Accordingly, the Company took a bad debt expense for uncollectible note receivable and interest receivable of \$58,891 in connection therewith.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Legal Proceedings

From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of the Company's business activities. Cleartronic is not engaged in any litigation at the present time and management is unaware of any claims or complaints that could result in future litigation.

Obligation Under Operating Lease

On December 2, 2023, and effective on January 1, 2023, the Company signed a two-year lease of 1,145 square feet for our principal offices in Clearwater, Florida. The monthly rent is \$2,134 in year one and increases to \$2,198 in year two. The lease expired on June 30, 2025. On January 1, 2023, upon adoption of ASC 842, the Company will recognized right-to-use assets as operating leases and operating lease obligations. Effective January 1, 2025, the Company has a month-to-month lease.

Rent expense incurred during the nine months ended June 30, 2025 and 2024 was \$16,483 and \$21,266, respectively.

Revenue and Accounts Receivable Concentration

For the three months ended June 30, 2025, no customer accounted for more than 10% of the Company's revenues.

For the three months ended June 30, 2024, one customer accounted for 27% of the Company's revenues.

For the nine months ended June 30, 2025, no customer accounted for more than 10% of the Company's revenues.

For the nine months ended June 30, 2024, two customer accounted for 22.95% of the Company's revenues.

As of June 30, 2025, six customers accounted for more than 10% of the Company's total outstanding accounts receivable.

As of September 30, 2024, one customer accounted for more than 12% of the Company's total outstanding accounts receivable.

Deferred Revenue Concentration

As of June 30, 2025, one customer accounted for 27.20% of the Company's total outstanding deferred revenue.

As of September 30, 2024, no customer accounted for more than 10% of the Company's total outstanding deferred revenue.

Major Supplier and Sole Manufacturing Source

The Company relies on no major supplier for its products. The Company has contracted with local manufacturing facilities to provide completed circuit boards used in the assembly of its IP gateway devices. Interruption of adequate supply of components, primarily computer chips, to the manufacturing source presents additional risk to the Company. The Company believes that additional commercial facilities exist at competitive rates to match the resources and capabilities of its existing manufacturing source, but the current worldwide shortage of computer chips does limit our ability to supply our proprietary radio gateways to clients and other buyers.

Exclusive Licensing Agreement

On May 5, 2017, the Company entered into an Exclusive Licensing Agreement with Sublicensing Terms (the "Agreement") with the University of South Florida Research Foundation, Inc. ("USFRF") relating to an exclusive license of certain patent rights in connection with one of USFRF's U.S. Patent Applications. Both parties recognize that the research and development work provided by the Company was sufficient for USFRF to enter into the Agreement with the Company.

The Agreement was effective April 25, 2017 and continues until the later of the date that no Licensed Patent remains a pending application or an enforceable patent or the date on which the Licensee's obligation to pay royalties expires.

The Company agreed to pay USFRF a royalty of 3% for sales of all Licensed Products and Licensed Processes and agreed to pay USFRF minimum royalty payments of \$8,000 for fiscal year 2023 and thereafter on the same date, for the life of the agreement.

In the event the Company proposes to sell any Equity Securities, then USFRF will have the right to purchase 5% of the securities issued in such offering on the same terms and conditions are offered to other purchasers in such financing.

NOTE 7 – EXTINGUISHMENT OF LIABILITIES

During the year ended September 30, 2024, the Company settled \$44,052 of accounts payable with various vendors in exchange for \$1,111, resulting in a gain on settlement of \$42,941.

NOTE 8 - SEGMENT INFORMATION

We operate as one segment, and ReadyOp facilitates the marketing and sales of subscriptions to the ReadyOp™, ReadyMed™ and Alastar™ platforms and the AudioMate IP gateways.

Our Chief Executive Officer, as the CODM, evaluates our expenditures and monitor budget versus actual results. The monitoring of budget versus actual results and cash on hand are used in assessing the performance of the segment and in establishing resource allocation across the organization.

Factors used in determining the reportable segment include the nature of our operating activities, the organizational and reporting structure and the type of information reviewed by the CODM to allocate resources and evaluate financial performance.

Significant expenses include general and administrative, professional fees, officers' salary, research and development, and interest income, which are each separately presented on our consolidated statements of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD-LOOKING STATEMENTS

The information set forth in this Management's Discussion and Analysis contains certain "forward-looking statements," including, among others (i) expected changes in our revenues and profitability, (ii) prospective business opportunities, and (iii) our strategy for financing our business. Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by use of terms such as "believes," "anticipates," "intends," or "expects." These forward-looking statements relate to our plans, objectives, and expectations for future operations. Although we believe that our expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of our knowledge of our business and operations, in light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this prospectus should not be regarded as a representation that our objectives or plans will be achieved. In light of the risks and uncertainties, there can be no assurance that actual results, performance, or achievements will not differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements. The foregoing review of important factors should not be construed as exhaustive. We undertake no obligation to release publicly the results of any future revisions we may make to forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

Overview

Cleartronic, Inc. (the "Company") was incorporated in Florida on November 15, 1999. All current operations are conducted through the Company's wholly owned subsidiary, ReadyOp Communications, Inc. ("ReadyOp"), a Florida corporation incorporated on September 15, 2014. ReadyOp facilitates the marketing and sales of subscriptions to the *ReadyOp*TM and *ReadyMed*TM platform and the AudioMate IP gateways discussed below.

ReadyOp is a proprietary, innovative web-based planning, communications and operations platform for efficiently and effectively planning, managing, communicating, and directing operations and emergency response. ReadyOp is used by local, state and federal government agencies, corporations, school districts, utilities, hospitals and others to manage and report daily operations as well as the ability to handle incidents and emergency situations. ReadyOp is offered as a software as a service (SAAS) program on an annual contract basis although an increasing number of clients have requested multi-year agreements.

In March 2018, the Company approved the spin-off of VoiceInterop, Inc. ("Voiceinterop"), one of the Company's wholly-owned subsidiaries, into a separate company under a Form S-1 registration filed with the United States Securities and Exchange Commission.

In October 2019, the Company acquired the ReadyMed software platform from Collabria LLC. ReadyMed is a web-based secure communications platform initially designed for the healthcare industry. This includes hospitals, clinics, doctor's offices, health insurance companies, workers compensation insurance companies and many other segments of the healthcare industry. The Company offers both the ReadyOp and ReadyMed capabilities to clients and usually refers to the platform as ReadyOp to avoid confusion in the marketplace of two platforms.

On August 1, 2024, the Company acquired a group of similar assets from Alastar, Inc. ("Alastar") for \$50,000. This asset group consisted of cash, prepaids and other current assets, as well as intellectual property including trademarks, software platforms, and a client list. The client list was the only asset ascribed value which was deemed to have continuing value to the Company. The Company has classified this client list as an intangible asset, which will be amortized over 5 years. It is planned that all operations and marketing of the Alastar platform will be conducted in the ReadyOp Communications subsidiary in conjunction with the current ReadyOp and ReadyMed activities.

FOR THE THREE MONTHS ENDED JUNE 30, 2025 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2024

Revenue

Revenues increased 7.31% to \$1,078,530 for the three months ended June 30, 2025 as compared to \$1,005,050 for the three months ended June 30, 2024. The primary reason for the increase was an increase in revenue from the ReadyOp platform and the addition of the Alastar platform from \$702,446 in 2024 to \$948,892 in 2025. There was a decrease in sales of ReadyOp hardware products from \$302,604 in 2024 to \$17,550 in 2025. Consulting fees and related income increased from \$0 in 2024 to \$112,088 in 2025 due to an increase in consulting activity.

Cost of Revenue

Cost of revenues decreased 17.58% to \$263,509 for the three months ended June 30, 2025 as compared to \$319,728 for the three months ended June 30, 2024. Gross profits were \$815,021 and \$685,322 for the three months ended June 30, 2025 and 2024, respectively. The primary reason for the decrease was due a decrease in hardware product sales and associated decrease in related costs for the three months ended June 30, 2025.

Operating Expenses

Operating expenses increased 44.20% to \$874,887 for the three months ended June 30, 2025 compared to \$606,721 for the three months ended June 30, 2024. The increase was primarily due to administrative expenses and selling expenses. General and administrative expenses increased by \$259,118 or 49.59% as a result of the increase in general business expenses, an increase in headcount and personnel related costs associated with the addition of new employees.

For the three months ended June 30, 2025, selling expenses were \$85,840 compared to \$79,913 for the three months ended June 30, 2024. This increase was primarily due to an increase in travel expenses as the Company.

Research and development expenses were \$2,000 for the three months ended June 30, 2025 and 2024. There was no change in research and development expenses.

Other Income

The Company's other income increased 43.95% to \$9,004 for the three months ended June 30, 2025 as compared to \$6,255 in other income for the three months ended June 30, 2024. This increase was due to an increase in interest income on treasury bill investments.

(Loss) Income before Income Taxes

The Company's loss before income taxes was \$50,862, during the three months ended June 30, 2025, as compared to income of \$84,856 before income taxes for the three months ended June 30, 2024. The increased costs were partially offset by an increase in subscriptions of ReadyOp licenses.

Net (Loss) Income Attributable to Common Stockholders

Net loss attributable to common stockholders was \$61,093 for the three months ended June 30, 2025 as compared to a net income of \$74,625 for the three months ended June 30, 2024. The decrease was primarily due to an increase in administrative expenses and offset by an increase in sales of ReadyOp licenses. The increased costs were partially due to addition of new employees associated with Alastar and costs associated FedRAMP certification. The preferred stock dividends remained consistent.

FOR THE NINE MONTHS ENDED JUNE 30, 2025 COMPARED TO THE NINE MONTHS ENDED JUNE 30, 2024

Revenue

Revenues increased 37.49% to \$3,001,557 for the nine months ended June 30, 2025 as compared to \$2,183,110 for the nine months ended June 30, 2024. The primary reason for the increase was an increase in revenue from the ReadyOp platform and the addition of the Alastar platform from \$1,842,411 in 2024 to \$2,680,468 in 2025. There was a decrease in sales of ReadyOp hardware products from \$340,699 in 2024 to \$90,050 in 2025. Consulting fees and related income increased from \$0 in 2024 to \$231,039 in 2025 due to an increase in consulting activity.

Cost of Revenue

Cost of revenues increased 11.15% to \$659,098 for the nine months ended June 30, 2025 as compared to \$592,975 for the nine months ended June 30, 2024. Gross profits were \$2,342,459 and \$1,590,135 for the nine months ended June 30, 2025 and 2024, respectively. The primary reason for the increase was due to an increase in ReadyOp and Alastar platform sales and consulting activity.

Operating Expenses

Operating expenses increased 53.12% to \$2,493,718 for the nine months ended June 30, 2025 compared to \$1,628,603 for the nine months ended June 30, 2024. The increase was primarily due to administrative expenses with a slight offset decrease in research and development expenses, and selling expenses. General and administrative expenses increased by \$878,471 or 63.35% as a result of the increase in general business expenses, an increase in headcount and personnel related costs associated with the addition of new employees. There were also charitable contributions paid during the nine months.

For the nine months ended June 30, 2025, selling expenses were \$203,830 compared to \$218,062 for the nine months ended June 30, 2024. This decrease was primarily due to an increase in travel expenses as the Company.

Research and development expenses were \$8,000 for the nine months ended June 30, 2025, as compared to \$18,603 for the nine months ended June 30, 2024. This increase was primarily due to research and development expenses.

Other Income

The Company's other income decreased 63.15% to \$23,180 for the nine months ended June 30, 2025 as compared to \$62,900 in other income for the nine months ended June 30, 2024. This decrease was due to a decrease in extinguishment of liabilities of \$42,941 for the nine months ended June 30, 2024 and an increase in interest income on treasury bill investments of \$3,221 for the nine months ended June 30, 2025.

(Loss) Income before Income Taxes

The Company's loss before income taxes was \$128,079, during the nine months ended June 30, 2025, as compared to income of \$24,432 before income taxes for the nine months ended June 30, 2024. The increased costs were partially offset by an increase in subscriptions of ReadyOp licenses.

Net (Loss) Income Attributable to Common Stockholders

Net loss attributable to common stockholders was \$158,771 for the nine months ended June 30, 2025 as compared to a net loss of \$6,373 for the nine months ended June 30, 2024. The decrease was primarily due to an increase in administrative expenses and offset by an increase in sales of ReadyOp licenses. The increased costs were partially due to addition of new employees associated with Alastar and costs associated FedRAMP certification. The preferred stock dividends remained consistent.

LIQUIDITY AND CAPITAL RESOURCES

For the nine months ended June 30, 2025, net cash used in operations of \$68,313 was the result of a net loss of \$128,079, depreciation and amortization expense of \$16,619, amortization of operating lease of \$5,983, increase in provision of credit losses of \$20,500, a loss on sale of fixed assets of \$483, an increase in prepaid expenses of \$65,988 and an increase in accounts payable of \$16,463 and an increase in deferred revenue of \$12,975. These were offset by a decrease of accounts receivable of \$47,808, a decrease in inventory of \$11,429, and a decrease in operating lease liability of \$6,506.

For the nine months ended June 30, 2024, net cash provided by operations of \$398,421 was the result of a net income of \$24,432, depreciation expense of \$5,140, amortization of operating lease of \$17,948, extinguishment of liabilities of \$42,941, increase in provision for credit losses of \$9,000, increase in prepaid expenses of \$5,137, a decrease in accounts receivable of \$129,880, an increase in inventory of \$107,997. These were offset by an increase in accounts payable of \$84,300 and an increase in deferred revenue of \$301,988.

Net cash used in investing activities was \$4,768 and \$126,185 for the nine months ended June 30, 2025 and 2024, respectively, which was for the purchase of fixed and intangible assets.

Critical Accounting Estimates

See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended September 30, 2024 for information regarding our critical accounting estimates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable

Item 4. Controls and Procedures.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is accumulated and communicated to management including our principal executive officer/principal financial officer as appropriate, to allow timely decisions regarding required disclosure.

Management has carried out an evaluation of the effectiveness of the design and operation of our company's disclosure controls and procedures. Due to limited number of personnel, there are inherent challenges in achieving complete segregation of duties within the financial reporting process, management concluded that the Company's disclosure controls and procedures are not effective as of such date. We intend to take appropriate and reasonable steps to make the necessary improvements to remediate this deficiency as resources to do so become available.

Change in Internal Controls over Financial Reporting

During this quarter, there was no change in the registrant's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or Rule 15d-15 under the Securities Exchange Act of 1934 that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Cleartronic is not engaged in any litigation at the present time and management is unaware of any claims or complaints that could result in future litigation. Management will seek to minimize disputes with the Company's customers but recognizes the inevitability of legal action in today's business environment as an unfortunate price of conducting business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The registrant claimed exemption from the registration provisions of the Securities Act of 1933 with respect to the securities pursuant to Section 4(2) thereof in as much as no public offering was involved. The shares were not offered or sold by means of: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium, or broadcast over television or radio, (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising, or (iii) any other form of general solicitation or advertising and the purchases were made for investment and not with a view to distribution. Each of the purchasers was, at the time of the purchaser's respective purchase, an accredited investor, as that term is defined in Regulation D under the Securities Act of 1933 and had access to sufficient information concerning the registrant and the offering.

Item 3. Defaults Upon Senior Securities

None

Item 5. Other Information

None

Item 6. Exhibits.

Exhibit No.	Identification of Exhibit
<u>3.1**</u>	Articles of Incorporation, filed as exhibit 3.01 to the registrant's registration statement on Form SB-2 on July 3, 2006, Commission File Number 333-135585.
<u>3.2**</u>	Articles of Amendment to Articles of Incorporation filed March 12, 2001, filed as exhibit 3.02 to the registrant's registration statement on Form SB-2 on July 3, 2006, Commission File Number 333-135585.
<u>3.3**</u>	Articles of Amendment to Articles of Incorporation filed October 4, 2004, filed as exhibit 3.03 to the registrant's registration statement on Form SB-2 on July 3, 2006, Commission File Number 333-135585.
<u>3.4**</u>	Articles of Amendment to Articles of Incorporation filed March 31, 2005, filed as exhibit 3.04 to the registrant's registration statement on Form SB-2 on July 3, 2006, Commission File Number 333-135585.
<u>3.5**</u>	Articles of Amendment to Articles of Incorporation filed May 9, 2008, filed as exhibit 3.02 to the registrant's registration statement on Form S-1 on May 28, 2008, Commission File Number 333-135585.
<u>3.6**</u>	Articles of Amendment to Articles of Incorporation filed June 28, 2010, filed as exhibit 3.7 to the registrant's Form 10-Q on February 14, 2011, Commission File Number 333-135585.
<u>3.7**</u>	Articles of Amendment to Articles of Incorporation filed May 6, 2011, filed as exhibit 3.1 to the registrant's Form 8-K on May 6, 2011, Commission File Number 333-135585.
<u>3.8**</u>	Articles of Amendment to Articles of Incorporation filed April 19, 2012, filed as exhibit 3.09 to the registrant's Form 10-Q on May 14, 2012, Commission File Number 333-135585.
<u>3.9**</u>	Articles of Amendment to Articles of Incorporation filed September 7, 2012, filed as exhibit 3.1 to the registrant's Form 8-K on September 7, 2012, Commission File Number 333-135585.
<u>3.10**</u>	Articles of Amendment to Articles of Incorporation filed September 19, 2012, filed as exhibit 3.1 to the registrant's Form 8-K on September 19, 2012, Commission File Number 333-135585.
<u>3.11**</u>	Articles of Amendment to Articles of Incorporation filed October 5, 2012, filed as exhibit 3.1 to the registrant's Form 8-K on October 5, 2012, Commission File Number 333-135585.
<u>3.12**</u>	Articles of Amendment to Articles of Incorporation filed December 28, 2013, filed as exhibit 3.12 to the registrant's Form 8-K on January 14, 2014, Commission File Number 333-135585.
<u>3.13**</u>	Bylaws, filed as exhibit 3.05 to the registrant's registration statement on Form SB-2 on July 3, 2006, Commission File Number 333-135585.
<u>3.14**</u>	Amended and Restated Bylaws, filed as exhibit 3.1 to the registrant's Form 8-K on July 26, 2010, Commission File Number 333-135585.
<u>10.1**</u>	Employment Agreement dated October 5, 2012, between Larry M. Reid and the registrant, filed as exhibit 10.1 to the registrant's Form 8-K on October 12, 2012, Commission File Number 333-135585.
<u>10.2**</u>	Lease Agreement dated November 30, 2014, between BGNP Associates, LLC and Cleartronic, Inc, filed as Exhibit 10.10 to the registrant's Form 10-K on January 13, 2015, Commission File Number 000-55329
<u>10.3**</u>	Employment Agreement dated March 13, 2015, between Larry M. Reid and the registrant, filed as Exhibit 10.1 to the registrant's Form 8-K on March 18, 2015, Commission File Number 000-55329
<u>10.4**</u>	Subscription Agreement between registrant and private accredited investor dated March 31, 2015 for purchase of 278,743 shares of Series D Convertible Preferred stock, filed as exhibit 10.1 to the registrant's Form 8-K on April 10, 2015, Commission File Number 000-55329
<u>10.5**</u>	Subscription Agreement between registrant and private accredited investor dated March 31, 2015 for purchase of 270,024 shares of Series D Convertible Preferred stock, filed as exhibit 10.2 to the registrant's Form 8-K on April 10, 2015, Commission File Number 000-55329
<u>10.6**</u>	Subscription Agreement between registrant and private accredited investor dated March 31, 2015 for purchase of 278,743 shares of Series D Convertible Preferred stock, filed as exhibit 10.3 to the registrant's Form 8-K on April 10, 2015, Commission File Number 000-55329
<u>10.7**</u>	Promissory Note dated November 24, 2015 in the original amount of \$50,000 issued to Mr. Marc Moore filed as exhibit 10.18 to the registrant's Form 10-K on January 13, 2016, Commission File 000-55329.
<u>10.8**</u>	Asset Purchase Agreement dated November 29, 2016 between the registrant and Collabria LLC. Filed as an exhibit to the registrant's Form 8-K on December 5, 2016.
<u>10.9**</u>	Employment Agreement dated November 28, 2016 between the registrant and Mr. Moore.
<u>10.10**</u>	Promissory Note dated September 27, 2017 in the amount of \$35,000 issued to Richard Martin.
<u>10.11**</u>	Promissory Note dated October 12, 2017 in the amount of \$15,000 issued to Richard Martin
<u>10.12**</u>	Installment Note dated September 30, 2019 in the amount of \$75,279 issued to Richard Martin
<u>10.13**</u>	Lease Agreement dated December 1, 2018, between BGNP Associates, LLC and VoiceInterop, Inc.
<u>10.14**</u>	Promissory Note dated December 2, 2019 in the amount of \$50,000 issued to Mr. John F. Marek.
<u>31.1*</u>	Certification of Michael M. Moore, Chief Executive Officer of Cleartronic, Inc., pursuant to 18 U.S.C. §1350, as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002.
<u>31.2*</u>	Certification of Larry M. Reid, Chief Financial Officer and Principal Accounting Officer of Cleartronic, Inc., pursuant to 18 U.S.C. §1350, as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002.
<u>32.1*</u>	Certification of Michael M. Moore, Chief Executive Officer of Cleartronic, Inc., pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002.
<u>32.2*</u>	Certification of Larry M. Reid, Chief Financial Officer and Principal Accounting Officer of Cleartronic, Inc., pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002.
101	XBRL Instance Document (XBRL tags are embedded within the Inline iXBRL document)

*Filed herewith.

**Previously filed.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CLEARTRONIC, INC.

July 30, 2025

By: /s/ Michael M. Moore
Michael M. Moore
Principal Executive Officer

By: /s/ Larry M. Reid
Larry M. Reid
Principal Financial Officer and
Chief Accounting Officer

CERTIFICATION

I, Michael M. Moore, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cleartronic, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am the only certifying officer responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Board of Directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2025

/s/ Michael M. Moore

Michael M. Moore, Principal Executive Officer

Exhibit 31.2

CERTIFICATION

I, Larry Reid, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cleartronic, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am the only certifying officer responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Board of Directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2025

/s/ Larry M. Reid

Larry Reid, Principal Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Cleartronic, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that the Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 30, 2025

By: /s/ Michael M. Moore

Michael M. Moore
Principal Executive Officer

By: /s/ Larry M. Reid

Larry M. Reid
Principal Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Cleartronic, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that the Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 30, 2025

By: /s/ Michael M. Moore
Michael M. Moore
Principal Executive Officer

By: /s/ Larry M. Reid
Larry M. Reid
Principal Financial Officer