

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 December 31, 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: 229,238,517 shares as of February 13, 2026.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

CLEARTRONIC, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2025 (unaudited)	September 30, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,270,073	\$ 1,124,052
Accounts receivable, net of an allowance for credit losses of \$122,480 as of December 31, 2025 and \$150,308 as of September 30, 2025	149,212	208,233
Inventory	101,372	103,524
Prepaid expenses and other current assets	118,450	94,101
Total current assets	1,639,107	1,529,910
Property and Equipment, net	37,015	38,295
Intangible Asset - customer list, net	35,833	38,333
Total assets	\$ 1,711,955	\$ 1,606,538
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	\$ 127,977	\$ 171,877
Deferred revenue	1,745,822	1,791,311
Total liabilities	1,873,799	1,963,188
Commitments and Contingencies (See Note 6)		
Stockholders' (deficit) equity:		
Series A preferred stock - \$.00001 par value; 1,250,000 shares authorized; 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, 229,238,517 and 229,238,517 shares issued and outstanding, respectively.	2,291	2,291
Additional paid-in capital	15,240,104	15,240,104
Accumulated Deficit	(15,404,313)	(15,599,119)
Total stockholders' deficit	(161,844)	(356,650)
Total liabilities and stockholders' deficit	\$ 1,711,955	\$ 1,606,538

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 December 31, 2025	For the Three Months Ended December 31, 2024
Revenue	\$ 1,252,539	\$ 967,324
Cost of Revenue	174,963	214,938
Gross Profit	<u>1,077,576</u>	<u>752,386</u>
Operating Expenses:		
Selling expenses	25,927	53,089
Administrative expenses	861,467	747,734
Depreciation and amortization expense	5,393	5,483
Research and development	2,000	2,000
Total Operating Expenses	<u>894,787</u>	<u>808,306</u>
Interest income/expense, net	12,017	6,795
Total Other Income/(Expenses)	<u>12,017</u>	<u>6,795</u>
Loss before income taxes	194,806	(49,125)
Provision for income taxes from continuing operations	-	-
Net income (loss)	<u>194,806</u>	<u>(49,125)</u>
Preferred stock dividends Series A Preferred	<u>(10,343)</u>	<u>(10,343)</u>
Net income (loss) attributable to common stockholders	<u>\$ 184,463</u>	<u>\$ (59,468)</u>
Net income (loss) per common share - basic	<u>\$ 0.00</u>	<u>\$ (0.00)</u>
Net income (loss) per common share - diluted	<u>\$ 0.00</u>	<u>\$ (0.00)</u>
Weighted Average of number of shares outstanding - basic	<u>229,238,517</u>	<u>229,160,695</u>
Weighted Average of number of shares outstanding - diluted	<u>599,560,152</u>	<u>229,160,695</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/(DEFICIT)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2025
(Unaudited)

	Series A		Series B		Series C Preferred		Series D		Series E Preferred		Common Stock		Additional		
	Preferred Stock		Preferred Stock		Stock		Preferred Stock		Stock		Stock		Paid-in capital	Accumulated Deficit	Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at September 30, 2025 (Audited)	512,996	\$ 5	-	\$ -	3,133,503	\$ 32	670,904	\$ 7	3,000,000	\$ 30	229,238,517	\$ 2,291	\$15,240,104	\$ (15,599,119)	\$ (356,650)
Net income for the three months ended December 31, 2025	-	-	-	-	-	-	-	-	-	-	-	-	-	194,806	194,806
Balance at December 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>229,238,517</u>	<u>\$ 2,291</u>	<u>\$15,240,104</u>	<u>\$ (15,404,313)</u>	<u>\$ (161,844)</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/(DEFICIT)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2024
(Unaudited)

	Series A		Series B		Series C Preferred		Series D		Series E Preferred		Common Stock		Additional		Stockholders' Deficit
	Preferred Stock		Preferred Stock		Stock		Preferred Stock		Stock		Paid-in		Accumulated Deficit		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at September 30, 2024 (Audited)	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 three months ended December 31, 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,125)	(49,125)
Balance at December 31, 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>\$ (15,494,025)</u>	<u>\$ (251,556)</u>

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

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

	For the Three Months Ended December 31, 2025	For the Three Months Ended December 31, 2024
NET LOSS	\$ 194,806	\$ (49,125)
Cash Flows From Operating Activities		
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization expense	5,393	5,483
Amortization of operating lease - right-of-use asset	-	5,983
Recovery of credit losses	(27,828)	-
(Increase) decrease in assets:		
Accounts receivable	86,849	(70,019)
Inventory	2,152	5,890
Prepaid expenses and other current assets	(24,349)	6,315
Increase (decrease) in liabilities:		
Accounts payable	(43,900)	(23,394)
Deferred revenue	(45,489)	(39,341)
Operating lease liability	-	(6,506)
Net Cash Provided by Operating Activities	<u>147,634</u>	<u>(164,714)</u>
Cash Flows From Investing Activities		
Purchase of fixed assets	(1,613)	-
Net Cash Used in Investing Activities	<u>(1,613)</u>	<u>-</u>
Cash Flows From Financing Activities	<u>-</u>	<u>-</u>
Net increase in cash	146,021	(164,714)
Cash at beginning of period	1,124,052	849,727
Cash at end of period	<u>\$ 1,270,073</u>	<u>\$ 685,013</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

Notes to Condensed Consolidated Financial Statements
December 31, 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™ Alastar platforms and the AudioMate IP gateways discussed below.

The Company's fiscal year end is September 30.

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, 2025, contained in our General Form for Registration of Securities of Form 10-K as filed with the Securities and Exchange Commission (the "Commission") on December 30, 2025. The results of operations for the three months ended December 31, 2025, are not necessarily indicative of results to be expected for any other interim period or the fiscal year ending September 30, 2026.

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 December 31, 2025. Treasury Bills with an original maturity date of three months or less are included within cash and cash equivalents on the balance sheets at December 31, 2025 and September 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 \$122,480 and \$150,308 allowances for doubtful accounts as of December 31, 2025, and September 30, 2025, 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 December 31, 2025 and September 30, 2025, respectively.

At December 31, 2025 inventory was \$101,372 of raw materials and finished goods.

At September 30, 2025, inventory was \$103,524 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 \$25,500 and \$38,250 at December 31, 2025 and September 30, 2025, respectively. Prepaid expenses totaled \$118,450 and \$94,101 at December 31, 2025 and September 30, 2025, 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 months ended December 31, 2025 and 2024, respectively.

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 December 31, 2025 and September 30, 2025, intangible asset – client list, net, is as follows:

	For three months ended December 31, 2025	For the three months ended December 31, 2024
Intangible Assets – Customer Lists	\$ 50,000	\$ 50,000
Less: Accumulated Amortization	(14,167)	(4,667)
Total Intangible Assets, net	\$ 35,833	\$ 45,333

Amortization expense for the three months ended December 31, 2025 and 2024, was \$2,500 and \$2,500, respectively.

Estimated future amortization expense for the year ended September 30,

2026 (9 Months)	\$ 7,500
2027	10,000
2028	10,000
2029	8,333
	\$ 35,833

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 December 31, 2025 and September 30, 2025, the Company had \$0 and \$23,583, 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 December 31, 2025 and 2024, the Company had \$2,000 and \$2,000 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.

On occasion we host conferences for our current and potential clients. Conference registration revenues are recognized at a point in time when the related conference is held and the Company has satisfied its performance obligations. Payments received in advance are recorded as deferred revenue. 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 December 31, 2025 and September 30, 2025 respectively, the Company recorded \$1,745,822 and \$1,791,311, respectively, in deferred revenue.

DISAGGREGATED REVENUE

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

	For the three months ended	
	December 31, 2025	December 31, 2024
Licensing of ReadyOp Software	\$ 1,004,282	\$ 851,301
Hardware Sales and Consulting	248,257	116,023
Total	\$ 1,252,539	\$ 967,324

DEFERRED REVENUE

The following table provides a summary of the changes included in deferred revenue during the three months ended December 31, 2025 and year ended September 30, 2025:

	For the three months ended	For the year ended
	December 31, 2025	September 30, 2025
Beginning balance	\$ 1,791,311	\$ 1,373,325
Additions to deferred liability (1)	1,252,539	4,521,374
Deductions to deferred liability (2)	(1,298,028)	(4,103,388)
Ending balance	\$ 1,745,822	\$ 1,791,311

(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 December 31, 2025 and 2024, we had no options and warrants outstanding.

As of December 31, 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 December 31, 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 December 31, 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 December 31, 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 months ended December 31, 2025 and 2024:

	For the three months ended	For the three months ended
	December 31, 2025	December 31, 2024
Net income (loss) attributable to common stockholders for the period	\$ 184,463	\$ (59,468)
Weighted average number of shares outstanding	229,238,517	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	For the three months ended
	December 31, 2025	December 31, 2024
Net income (loss) attributable to common stockholders for the period	\$ 184,463	\$ (59,468)
Add: Preferred stock dividends	10,343	-
Adjusted net income (loss) income	\$ 194,806	\$ (59,468)
Weighted average number of shares outstanding	229,238,517	229,160,695
Add: Shares issued upon conversion of preferred stock	370,321,635	-
Weighted average number of common and common equivalent shares	599,560,152	229,160,695
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 December 31, 2025 and September 30, 2025, 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 three months ended December 31, 2025 and year ended September 30, 2025, respectively.

ADVERTISING COSTS

Advertising costs are expensed as incurred. The Company had advertising costs of \$1,949 and \$31,540 during the three months ended December 31, 2025 and 2024, respectively.

EMPLOYEE BENEFITS

The Company’s employees have access to a qualified 401(k) defined contribution plan.

The Company’s matching contributions expenditure under the plan was \$25,761 and \$26,854 during the three months ended December 31, 2025 and 2024.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

ASU 2025-05 — Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued ASU 2025-05, which provides (1) all entities with a practical expedient and (2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, Revenue from Contracts with Customers.

The practical expedient allows an entity to assume that, when estimating expected credit losses, current conditions as of the balance sheet date remain unchanged for the remaining life of the asset. The accounting policy election permits nonpublic entities that elect the practical expedient to also consider collection activity occurring after the balance sheet date when estimating expected credit losses.

The standard is effective for fiscal years beginning after December 15, 2025, and for interim periods within those annual reporting periods. Early adoption is permitted. Accordingly, the Company will adopt ASU 2025-05 for its fiscal year beginning July 1, 2026.

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 November 30, 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 December 31, 2025 and September 30, 2025:

	<u>December 31, 2025</u>	<u>September 30, 2025</u>
Assets		
Operating lease -right-of-use assets-non-current	\$ -	\$ -
Liabilities		
Operating lease liability	\$ -	\$ -
Weighted-average remaining lease term (years)	-	-
Weighted-average discount rate	-%	-%
The components of lease expense were as follows:		
Operating lease cost		
Amortization on right-of-use operating lease asset	\$ -	\$ 5,983
Lease liability expense in connection with obligation repayment	-	87
Total operating lease costs	\$ -	\$ 6,070
Supplemental cash outflows information related to operation lease was as follows:		
Operating cash outflows from operating lease (obligation payment)	\$ -	\$ 6,594
Right-of-use asset obtained in exchange for new operating lease liability	\$ -	-

At September 30, 2025, the Company has no financing leases as defined in ASC 842, "Leases."

NOTE 3 – PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

At December 31, 2025 and September 30, 2025, property and equipment, net, is as follows:

	<u>For the three months ended December 31, 2025</u>	<u>For the year ended September 30, 2025</u>
Office Equipment	\$ 67,900	\$ 67,900
Less: Accumulated Depreciation	(30,885)	(29,605)
Total Property and Equipment, net	\$ 37,015	\$ 38,295

Depreciation expense for the three months ended December 31, 2025 and 2024, was \$2,893 and \$2,983, respectively.

NOTE 4 - EQUITY TRANSACTIONS

Preferred Stock Dividends

As of December 31, 2025 and September 30, 2025, the cumulative arrearage of undeclared dividends for Series A Preferred stock totaled \$298,711 and \$288,365, respectively.

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 September 30, 2025 and 2024, no common stock was repurchased.

NOTE 5 - RELATED PARTY TRANSACTIONS

During the three months ended December 31, 2025 and 2024, the Company paid \$9,000 and \$9,000, respectively, to a related party consultant.

As of December 31, 2025, there was \$807 owed to the Company's Principal Executive Officer for expenses paid on behalf of the Company. The balance was paid in full in January 2026.

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 November 30, 2024. 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 three months ended December 31, 2025 and 2024 was \$6,192 and \$5,854, respectively.

Revenue and Accounts Receivable Concentration

For the three months ended December 31, 2025, no customer accounted for more than 10% of the Company's revenues.

For the three months ended December 31, 2024, one customer accounted for 8.79% of the Company's revenues.

As of December 31, 2025, two customers accounted for more than 10% of the Company's total outstanding accounts receivable.

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

Deferred Revenue Concentration

As of December 31, 2025, one customer accounted for 9.74% of the Company's total outstanding deferred revenue.

As of September 30, 2025, one customer accounted for 17.38% 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 - 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™ and ReadyMed™ platform, Alastar platforms and the AudioMate IP gateways discussed below.

ReadyOp™ Software

ReadyOp is a proprietary, innovative web-based planning and communications 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.

ReadyOp requires no new or on-site hardware or programming by clients and provides multiple options for communications including radio interoperability using the Company's AudioMate gateways. Plans and operations can be built and stored securely in ReadyOp on a by-location, region and systemwide basis. Assets can be listed along with their location, person to contact and other information that may be needed. Diagrams, charts, maps, pictures, report forms and other documentation can be securely stored yet immediately available securely from any location.

ReadyOp also provides efficient planning and response for responding to disasters and for continuity of operations (COOP) and recovery. ReadyOp is the COOP platform for multiple organizations including many federal agencies.

ReadyMed™ Software

In October 2019, the Company acquired the ReadyMed software platform from Collabria LLC. In exchange for this asset, the Company issued 12,000,000 shares of Common stock of the Company. 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 platform provides caregivers with patient tracking capability and allows physicians and other healthcare entities to track patient progress after medical treatment and/or release from hospital care. The software also enables monitoring and reporting of patients in medium- and long-term care. Additionally, the platform provides secure communications capabilities and recordkeeping to track the healing process of patients, record their recovery and monitor their medications. During the COVID-19 pandemic this software proved beneficial to multiple federal and state agencies and clients in 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 products.

Alastar Software

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.

The Company continues to support the clients who were using Alastar prior to the acquisition plus add additional new clients. Additionally, the Company has been transitioning much of the Alastar functionality into the ReadyOp platform as well as enhance the capabilities for existing and new clients. The Company plans to continue the transition and enhancement activities for at least the next two years.

AudioMate IP Gateways

The Company offers a proprietary line of Internet Protocol Gateways branded as AudioMate 360 IP Gateway. The AudioMate 360 IP Gateway was designed to provide an Internet Protocol Gateway to users of unified group communications. The AudioMate units are currently being sold directly to end-users by the Company's sales teams and by Value Added Resellers ("VARs"). More than 1,000 end-users in the United States and 18 foreign countries have purchased the Company's AudioMate gateways. Although other devices are available that perform the same or similar functions, we believe that our price for the AudioMate 360 IP Gateway is competitive with prices other companies are charging for similar devices.

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.

FOR THE THREE MONTHS ENDED DECEMBER 31, 2025 COMPARED TO THE THREE MONTHS ENDED DECEMBER 31, 2024

Revenue

Revenues increased 29.48% to \$1,252,539 for the three months ended December 31, 2025 as compared to \$967,324 for the three months ended December 31, 2024. The primary reason for the increase was an increase in revenue from the ReadyOp and Alastar platforms from \$851,301 in 2024 to \$1,004,282 in 2025. There was also an increase in sales of ReadyOp hardware products from \$21,395 in 2024 to \$29,500 in 2025. Consulting fees and related income increased from \$94,628 in 2024 to \$218,757 in 2025 due to an increase in consulting activity.

Cost of Revenue

Cost of revenues decreased to \$174,963 for the three months ended December 31, 2025 as compared to \$214,938 for the three months ended December 31, 2024. The primary reason for the decrease was due to a decrease in expenses associated with trade show attendance and other marketing expenses. Gross profits were \$1,077,576 and \$752,386 for the three months ended December 31, 2025 and 2024, respectively.

Operating Expenses

Operating expenses increased 10.70% to \$894,787 for the three months ended December 31, 2025 compared to \$808,306 for the three months ended December 31, 2024. The increase was primarily due to administrative expenses, with a slight offset in research and development expenses, and selling expenses. General and administrative expenses increased by \$113,733 or 15.21% 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 three months.

For the three months ended December 31, 2025, selling expenses were \$25,927 compared to \$53,089 for the three months ended December 31, 2024. This decrease was primarily due to a decrease in advertising and off set by a slight increase in travel expenses as the Company and recovery of credit losses associated with bad debt write off.

Research and development expenses were \$2,000 for the three months ended December 31, 2025, as compared to \$2,000 for the three months ended December 31, 2024. There was no change in research and development expenses.

Other Income/(Expenses)

The Company's other income increased by \$5,222 from other income of \$6,795 during the three months ended December 31, 2024 as compared to \$12,017 in other income for the three months ended December 31, 2025. This increase was due to an increase in interest income on treasury bill investments of \$9,084 for the three months ended December 31, 2025.

Income (Loss) before Income Taxes

The Company's income before income taxes was \$194,806, during the three months ended December 31, 2025, as compared to loss of \$49,125 income before income taxes for the three months ended December 31, 2024 due to the increase in revenue that was partially offset by the increase in the Company's operating expenses.

Net Income (Loss) Income Attributable to Common Stockholders

Net income attributable to common stockholders was \$184,463 for the three months ended December 31, 2025 as compared to a net loss of \$59,468 for the three months ended December 31, 2024. The increase was primarily due to an increase in revenue which was partially offset by an increase in operating expenses. The increased costs were partially due to addition of new employees associated with Alastar. The preferred stock dividends remained consistent.

LIQUIDITY AND CAPITAL RESOURCES

For the three months ended December 31, 2025, net cash provided in operations of \$147,634 was the result of a net income of \$194,806, depreciation and amortization expense of \$5,393, an increase of accounts receivable of \$86,849. These were offset by a decrease in accounts payable of \$43,900, a recovery of credit losses of \$27,828, a decrease in deferred revenue of \$45,489, a decrease in inventory of \$2,152 and an increase in prepaid expenses of \$24,349.

For the three months ended December 31, 2024, net cash used in operations of \$164,714 was the result of a net loss of \$49,125, depreciation and amortization expense of \$5,483, amortization of operating lease of \$5,983, an increase of accounts receivable of \$70,019. These were offset by a decrease in accounts payable of \$23,394, a decrease in deferred revenue of \$39,341, a decrease in inventory of \$5,890 and a decrease in prepaid expenses of \$6,315.

Net cash used in investing activities was \$1,613 and \$0 for the three months ended December 31, 2025 and 2024, respectively, which was for the purchase of fixed 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, 2025 for information regarding our critical accounting estimates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable

Item 4. Controls and Procedures.

An evaluation was conducted by the registrant's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the effectiveness of the design and operation of the registrant's disclosure controls and procedures as of December 31, 2025. Based on that evaluation, the CEO and CFO concluded that the registrant's controls and procedures were effective as of such date to ensure that information required to be disclosed in the reports that the registrant files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

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 date 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.

February 13, 2026

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

Exhibit 31.1

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: February 13, 2025

/s/ Michael M. Moore

Michael M. Moore, Principal Executive Officer

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: February 13, 2025

/s/ Larry M. Reid

Larry 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 December 31, 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.

February 13, 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 December 31, 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.

February 13, 2026

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

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