



Annual **Report**

2026

Careteq Limited

ABN 83 612 267 857

Annual Report - 30 June 2026

Corporate Directory

Directors	Mark Simari - Executive Chairman Stephen Munday - Non-Executive Director Leonard Math - Non-Executive Director
Company Secretary	David Lilja
Notice of annual general meeting	The details of the annual general meeting of Careteq Limited will be advised once finalised.
Registered office	Level 10, 99 Queen Street Melbourne VIC 3000, Australia
Principal place of business	Level 10, 99 Queen Street Melbourne VIC 3000, Australia
Auditor	RSM Australia Partners Level 27, 120 Collins Street Melbourne VIC 3000, Australia
Solicitor	Soho Lawyers Pty Ltd Level 2, 99 Queen Street Melbourne VIC 3000, Australia
Bankers	National Australia Bank 800 Bourke Street Docklands VIC 3008, Australia Commonwealth Bank of Australia 121 Exhibition Street Melbourne VIC 3000, Australia Westpac Banking Corporation 150 Collins Street Melbourne VIC 3000, Australia
Website	www.careteq.com.au
Corporate Governance Statement	The directors and management are committed to conducting the business of Careteq Limited in an ethical manner and in accordance with the highest standards of corporate governance. Careteq Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The company's 2026 Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report, can be found at: www.careteq.com.au/investors-centre/.

Careteq Limited
Directors' report
30 June 2026

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Careteq Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mark Simari - Executive Chairman
Stephen Munday - Non-Executive Director
Brett Cheong - Non-Executive Director (retired 3 June 2026)
Leonard Math – Non-Executive Director (appointed 3 June 2026)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of the provision of Residential Medication Management Review and Home Medicines Review services as part of the Medication Management Programs funded under the Seventh Community Pharmacy Agreement up until the sale of the EHS business effective 31 March 2026. The net proceeds from the sale are intended to be utilised to focus on the growth of the Careteq's HMR Referrals marketplace platform.

Review of operations

The loss of the consolidated entity from continuing operations after providing for income tax amounted to \$398,121 (30 June 2025: gain of \$52,751).

This year group revenues were impacted by the sale of the EHS business effective 31 March 2026, this resulted in only nine months of revenues from EHS being recognised resulting in \$1.42 million less revenue being recognised this year. Revenue was also impacted by the write-back of the R&D claims income accrued for FY24, FY25 and HY26 amounting to \$1.2 million due to the continued delay in resolving the dispute with the ATO around the FY21, FY22 and FY23 R&D claims. The gain on sale of the EHS business and assets of \$2 million has significantly offset the reductions due to nine months of trading and the R&D claim income reversals. EBITDA has decreased slightly to a gain of \$0.02 million as a result of the writeback of R&D claims income and there has been a net loss before tax of \$0.40 million.

	FY26	FY25	Change
Total revenue from continuing operations	\$6.90m	\$8.32m	\$(1.42)m
EBITDA Gain (Loss) from continuing operations	\$0.02m	\$0.27m	\$(0.25)m
Net Gain (Loss) after tax from continuing operations	\$(0.40)m	\$(0.07)m	\$(0.33)m

The Embedded Health Solutions (EHS) business was sold effective 31 March 2026 resulting in a gain on sale of \$2 million, its operations up to the date of sale had delivered underlying EBITDA of \$1.45 million before corporate overheads.

The proceeds from the sale of EHS have been used to repay all outstanding loans leaving the company debt free and when combined with recent \$2.2 million capital raising leaves the company with \$3.19 million cash at bank. These funds are intended to be utilised to focus on the growth of the Careteq's marketplace platform HMR Referrals now that the company's balance sheet has been relieved of a material liability and is better positioned to defend its position against the ATO, and its current R&D claims whilst going through the formal objection process with the ATO.

Since the sale of the EHS business, the company has continued to focus on driving down running costs, as a result the underlying corporate costs have been reduced to around \$1.0 million per annum.

Careteq Limited, with the assistance of R&D tax experts, has made further technical and factual submissions in relation to the Australian Tax Office reassessments issued in relation to R&D tax incentive claims for the years ended 30 June 2021, 30 June 2022 and 30 June 2023. The Directors have appealed the reassessments and continue to believe that there is sufficient evidence in substantiation of the expenditure being incurred on R&D activities and adequately demonstrate the nexus between the expenditure and the R&D activities.

Board and leadership changes

During the year, the Board appointed a non-executive director Leonard Math concurrent with the retirement of Brett Cheong.

The EHS business related management team transferred with the sale of the EHS business, this together with other cost saving measures resulted in the company reducing its annualised cost base to around \$1.0 million in FY27.

Material business risks

The material ongoing business risks after the EHS sale faced by the company that are likely to have an effect on the financial prospects of the company, disclosed below, and how the company manages these risks include:

- Government funding risks – given the importance of government funding and subsidies in aged and disability care sectors into which the company sells its solutions, changes in these could have an adverse impact on Group sales, this could have a significant impact on our financial results. We address this risk by diversifying our target markets both geographically and into sectors less reliant on government funding.
- Taxation interpretation risks – the Australian Taxation Office (ATO) has expressed the view in the Position Paper that Careteq Limited has not provided evidence of adequate substantiation for the expenditure incurred for the R&D activities and has not demonstrated the nexus between the expenditure and the R&D activities for the purposes of Division 355 of the Income Tax Assessment Act 1997. Accordingly, the R&D Tax Incentives for the 2021, 2022, and 2023 financial years have been disclosed as contingent liabilities. We address this risk by employing the assistance of R&D tax experts and making further technical and factual submissions in relation to the Position Paper. We believe that the response provided evidence of adequate substantiation of the expenditure incurred on R&D activities and that it has adequately demonstrated the nexus between the expenditure and the R&D activities.

Significant changes in the state of affairs

During the period, the company divested its EHS business and repaid vendor loans relating to that business unit of \$2.47 million. The result is a streamlined business with a clear focus on HMR Referrals marketplace platform.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of Careteq Limited and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to Careteq Limited.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Mark Simari
Title:	Executive Chairman
Experience and expertise:	Mark is an experienced and accomplished professional in the health industry and has over 15 years' Board experience in a diverse range of organisations. Mark was the former Managing Director and Co-Founder of Paragon Care (ASX: PGC) (between 2008 and 2018). He was instrumental in Paragon Care becoming one of the largest independent healthcare suppliers in the Australian and New Zealand Markets, creating a healthcare platform spanning across capital equipment, consumables, devices and service and maintenance.
Other current directorships:	IDT Australia Limited (ASX: IDT), Xpon Technologies Group Limited (ASX XPN)
Former directorships (last 3 years):	Tali Digital Limited (ASX:TD1)
Interests in shares:	10,588,812 ordinary shares
Interests in options:	Nil

Careteq Limited
Directors' report
30 June 2026

Name: Stephen Munday
Title: Non-Executive Director
Experience and expertise: Stephen is an experienced financial and governance professional and has more than 25 years' experience on or working directly with Boards in a diverse range of organisations. Stephen has over 40 years business experience in Australia and North America including chief financial officer & company secretary positions in several listed companies over that time. Stephen's experience includes a wide range of responsibilities in a variety of management functions including marketing, business development, supply management, commercial management, financial management and change management. Stephen has been working in the health care sector since 2015. He is currently involved in businesses which supply products, services and technologies to the APAC health care and Australian aged care markets.

Other current directorships: N/A
Former directorships (last 3 years): Tali Digital Limited (ASX:TD1)
Interests in shares: 180,000 ordinary shares
Interests in options: Nil

Name: Brett Cheong
Title: Non-Executive Director (retired 3 June 2026)
Experience and expertise: Brett has over 40 years' experience within the healthcare industry at all levels of management. A former director of Paragon Care (ASX:PGC) for 9 years and former managing director of Axishealth Pty Ltd for 9 years prior to its acquisition by Paragon Care, Brett's depth of experience spans sales and marketing, product design and development and manufacturing and product sourcing.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: 749,999 ordinary shares
Interests in options: Nil

Name: Leonard Math
Title: Non-Executive Director (appointed 3 June 2026)
Experience and expertise: Leonard is a highly accomplished company director and Chartered Accountant with more than 18 years of experience across ASX-listed companies and private enterprises. He previously worked as an auditor at Deloitte and is experienced with public company responsibilities including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations. Leonard has held multiple director, CFO and company secretary roles for ASX listed companies.

Other current directorships: None
Former directorships (last 3 years): GoldArc Resources Limited, Global Uranium and Enrichment Limited and Askari Metals Limited
Interests in shares: Nil
Interests in options: Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

David Lilja
David is a qualified accountant and experienced company secretary with over 20 years' within the professional services industry working closely across a wide range of industries. David will supply his services through his firm, DLK Advisory, which provides a breadth of support to its clients including outsourced CFO and company secretary services.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Attended	Full Board Held	Attended	Nomination and Remuneration Committee Held	Attended	Audit and Risk Management Committee Held
Mark Simari	11	11	-	-	2	2
Stephen Munday	11	11	-	-	2	2
Brett Cheong	10	11	-	-	2	2
Leonard Math	1	1	-	-	-	-

Held: represents the number of meetings held during the time the director held office.

There were 13 meetings of directors held during the year ended 30 June 2026.

Remuneration report (Audited)

The remuneration report details the key management personnel remuneration arrangements for the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage / alignment of executive compensation
- Transparency
- Capital management

The company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' and program participants' interests:

- Focuses on sustained growth in shareholder wealth
- Attracts and retains high calibre executives
- Rewards capability and experience
- Provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors fees and payments are reviewed annually by the board. The board may, from time to time receive advice from independent remuneration consultants to ensure non-executive directors fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 5 November 2021, where the shareholders approved a maximum annual aggregate remuneration of \$300,000.

Executive directors remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the company are set out in the following tables.

The key management personnel of the company consisted of the following directors and other personnel of the company:

- Mark Simari - Executive Chairman
- Stephen Munday – Non-Executive Director
- Brett Cheong - Non-Executive Director (retired 3 June 2026)
- Leonard Math – Non-Executive Director (Appointed 3 June 2026)

Careteq Limited
Directors' report
30 June 2026

	Short-term benefits Cash salary and fees \$	Post- employment benefits Superannuation \$	Long-term benefits and Long service leave \$	Share-based payments Equity-settled options \$	Total \$
30 June 2026					
<i>Non-executive directors:</i>					
Brett Cheong (retired 3 June 2026)	32,500	-	-	-	32,500
Stephen Munday	82,000	-	-	-	82,000
Leonard Math (appointed 3 June 2026)	2,500	-	-	-	2,500
	<u>117,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,000</u>
<i>Executive directors:</i>					
Mark Simari	240,000	-	-	-	240,000
	<u>357,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,000</u>
	Short-term benefits Cash salary and fees \$	Post- employment benefits Superannuation \$	Long-term benefits Long service leave \$	Share-based payments Equity-settled options \$	Total \$
30 June 2025					
<i>Non-executive directors:</i>					
Brett Cheong	36,000	-	-	-	36,000
Stephen Munday	36,000	-	-	-	36,000
	<u>72,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,000</u>
<i>Executive directors:</i>					
Mark Simari	222,000	-	-	-	222,000
Alex Boyd (resigned 2 August 2024)	15,583	1,792	-	-	17,375
	<u>309,583</u>	<u>1,792</u>	<u>-</u>	<u>-</u>	<u>311,375</u>

The proportion of remuneration linked to performance and the fixed portion are as follows:

Name	2026 %	Fixed remuneration 2025 %	2026 %	At risk - STI 2025 %	2026 %	At risk - LTI 2025 %
<i>Non-Executive directors</i>						
Brett Cheong	100	100	-	-	-	-
Stephen Munday	100	100	-	-	-	-
Leonard Math	100	-	-	-	-	-
<i>Executive directors</i>						
Mark Simari	100	100	-	-	-	-
Alex Boyd	-	100	-	-	-	-

Service agreements

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Mark Simari
Title: Executive Chairman
Agreement commenced: 4 April 2022
Terms of agreement: (a) Fixed Remuneration: \$120,000 per annum (inclusive of director's fees) including any employer superannuation contribution;
(b) Short-term incentives: No short-term incentives in place at the time of appointment;
(c) Long-term incentives: No long-term incentives in place at the time of appointment;
(d) Termination: the company and Mr Simari may terminate the Agreement without cause giving the other party six months' notice.

Name: Stephen Munday
Title: Non-Executive Director
Agreement commenced: 8 November 2021
Terms of agreement: (a) No fixed term, no notice period required for termination;
(b) Base salary including superannuation \$30,000 per annum. No termination benefit.

Name: Brett Cheong
Title: Non-Executive Director (retired 3 June 2026)
Agreement commenced: 10 November 2021
Terms of agreement: (a) No fixed term, no notice period required for termination;
(b) Base salary including superannuation \$30,000 per annum. No termination benefit.

Name: Leonard Math
Title: Non-Executive Director (appointed 3 June 2026)
Agreement commenced: 03 June 2026
Terms of agreement: (a) No fixed term, no notice period required for termination;
(b) Base salary including superannuation \$30,000 per annum. No termination benefit

Name: David Lilja
Title: Company Secretary
Agreement commenced: 01 July 2022
Terms of agreement: (a) No fixed term, no notice period required for termination;
(b) Accounting and Taxation services as required.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

As at 30 June 2026, no other key management personnel have any service agreement with the consolidated entity.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2026.

Options

There were no options over ordinary shares affecting remuneration of directors and other key management personnel issued in this financial year or future reporting years.

Options granted carry no dividend or voting rights.

Additional information

The earnings of the Consolidate Entity for the five years to 30 June 2026 are summarised below:

	2026	2025	2024	2023	2022
	\$	\$	\$	\$	\$
Sales revenue	6,083,034	7,623,587	7,231,406	4,980,465	4,428,462
Other income including interest income	819,072	694,656	616,087	828,725	809,475
Net loss before tax	(516,347)	(465,313)	(2,434,548)	(4,175,500)	(5,250,091)
Net loss after tax	(398,121)	(72,204)	(2,665,137)	(4,347,364)	(5,250,091)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2026	2025	2024	2023	2022
Share price at financial year start (\$)	0.011	0.013	0.031	0.072	0.144
Share price at financial year end (\$)	0.012	0.011	0.013	0.035	0.079
Basic (loss)/earnings per share (cents per share)	(0.12)	(0.03)	(1.130)	(3.500)	(5.420)

The company listed on 7 January 2022 and first trading was on 10 Jan 2022.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Balance at the end of the year
Ordinary shares			
Mark Simari	10,588,812	-	10,588,812
Brett Cheong (resigned 3 June 2026)	749,999	-	749,999
Stephen Munday	180,000	-	180,000
Leonard Math (appointed 3 June 2026)	-	-	-
	11,518,811	-	11,518,811

Option holding

There were no options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties.

During the financial year ended 30 June 2026, the consolidated entity did not employ or use the services of remuneration consultants.

Performance rights over ordinary shares

There was no performance rights issued over ordinary shares during the financial year.

This concludes the remuneration report, which has been audited.

Shares under option and performance rights

Unissued ordinary shares of Careteq Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price*	Number under option
01/08/2024	01/08/2026	\$0.015	6,000,000
05/05/2026	05/05/2028	\$0.015	50,000,000
			<u>56,000,000</u>

Shares issued on the exercise of options

There were no ordinary shares of Careteq Limited issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

Officers of the company who are former partners of RSM Australia Partners

There are no officers of the company who are former partners of RSM Australia Partners.

Non-audit services

RSM Australia Partners has not provided any non-audit services in FY26.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Careteq Limited
Directors' report
30 June 2026

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'MS' or similar, written in a cursive style.

Mark Simari
Chairman

27 August 2026

RSM Australia Partners
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F +61 (0) 3 9286 8199
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Careteq Limited and its controlled entities for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'A L Whittingham'.

A L WHITTINGHAM
Partner

Dated: 27 August 2026
Melbourne, Victoria

Careteq Limited
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30 June 2026

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General information

The financial statements cover Careteq Limited as a consolidated entity. The financial statements are presented in Australian dollars, which is Careteq Limited's functional and presentation currency.

Careteq Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 10, 99 Queens Street
Melbourne VIC 3000

Principal place of business

Level 10, 99 Queens Street
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2026. The directors have the power to amend and reissue the financial statements.

Careteq Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue from continuing operations	4	6,083,034	7,623,587
Other income	5	819,072	694,656
Total revenue		<u>6,902,106</u>	<u>8,318,243</u>
Expenses			
Consulting and advisory		(293,660)	(294,000)
Corporate and administration		(762,717)	(634,559)
Employee benefits expense		(5,012,709)	(6,126,143)
Depreciation and amortisation expense	6	(288,686)	(342,012)
Share-based payments		-	(1,042)
Other expenses		(804,275)	(986,880)
Finance costs	6	<u>(256,406)</u>	<u>(273,965)</u>
Loss before income tax expense from continuing operations		(516,347)	(340,358)
Income tax benefit	7	118,226	393,109
(Loss)/profit after income tax expense from continuing operations		<u>(398,121)</u>	<u>52,751</u>
Discontinued operations			
Loss after income tax expense from discontinued operations	26	<u>-</u>	<u>(124,955)</u>
Loss after income tax expense for the year		(398,121)	(72,204)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year	16	<u><u>(398,121)</u></u>	<u><u>(72,204)</u></u>
Profit/(loss) per share from continuing operations attributable to the owners of Careteq Limited		Cents	Cents
From continuing operations			
Basic profit/(loss) per share		(0.12)	0.02
Diluted profit/(loss) per share		(0.12)	0.02
From discontinued operations			
Basic loss per share		-	(0.05)
Diluted loss per share		-	(0.05)
From operations			
Basic loss per share		(0.12)	(0.03)
Diluted loss per share		(0.12)	(0.03)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Careteq Limited
Consolidated statement of financial position
As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	8	3,185,664	1,046,048
Trade and other receivables	9	23,134	1,491,210
Contract assets	10	1,723	638,965
Other		80,783	58,395
Total current assets		<u>3,291,304</u>	<u>3,234,618</u>
Non-current assets			
Property, plant and equipment		-	39,315
Right-of-use assets		39,617	107,533
Intangibles	11	372,719	2,476,304
Other		77,843	87,043
Total non-current assets		<u>490,179</u>	<u>2,710,195</u>
Total assets		<u>3,781,483</u>	<u>5,944,813</u>
Liabilities			
Current liabilities			
Trade and other payables	12	485,352	1,409,132
Borrowings	18	-	1,597,041
Lease liabilities	17	47,563	74,672
Income tax		-	120,000
Employee benefits	13	12,142	465,603
Total current liabilities		<u>545,057</u>	<u>3,666,448</u>
Non-current liabilities			
Borrowings	18	-	652,959
Lease liabilities	17	-	47,563
Employee benefits	13	4,109	57,205
Total non-current liabilities		<u>4,109</u>	<u>757,727</u>
Total liabilities		<u>549,166</u>	<u>4,424,175</u>
Net assets		<u>3,232,317</u>	<u>1,520,638</u>
Equity			
Issued capital	14	27,893,361	25,491,600
Reserves	15	263,714	943,370
Accumulated losses	16	(24,924,758)	(24,914,332)
Total equity		<u>3,232,317</u>	<u>1,520,638</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Careteq Limited
Consolidated statement of changes in equity
For the year ended 30 June 2026

	Issued capital \$	Reserves \$	Non- controlling interest \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	25,491,600	507,512	1,501,106	(23,977,067)	3,523,151
Profit after income tax expense for the year	-	-	-	52,751	52,751
Total comprehensive income for the year	-	-	-	52,751	52,751
Acquisition of remaining 45% Embedded Health Solutions (note 24)	-	-	(1,501,106)	(898,894)	(2,400,000)
Careteq discontinued operations	-	(357)	-	(121,625)	(121,982)
Transactions with owners in their capacity as owners:					
Share based payments expense	-	56,718	-	-	56,718
SAFE note (note 15)	-	500,000	-	-	500,000
Dividends paid	-	-	-	(90,000)	(90,000)
Reclassification of expired options	-	(120,503)	-	120,503	-
Balance at 30 June 2025	25,491,600	943,370	-	(24,914,332)	1,520,638
	Issued capital \$	Reserves \$	Non- controlling interest \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025	25,491,600	943,370	-	(24,914,332)	1,520,638
Loss after income tax expense for the year	-	-	-	(398,121)	(398,121)
Total comprehensive income for the year	-	-	-	(398,121)	(398,121)
Foreign Currency Reserve	-	357	-	(357)	-
Transactions with owners in their capacity as owners:					
Shares issued during the year	2,260,000	-	-	-	2,260,000
Share issue costs	(358,239)	-	-	-	(358,239)
Share-based payments reserve		208,039	-	-	208,039
Convertible note	500,000	(500,000)	-	-	-
Reclassification of expired options		(388,052)	-	388,052	-
Balance at 30 June 2026	27,893,361	263,714	-	(24,924,758)	3,232,317

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Careteq Limited
Consolidated statement of cash flows
For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		6,945,122	8,139,797
Payment of finance costs		(256,405)	(58,323)
Government grants and tax incentives		5,022	-
Payments to suppliers and employees (inclusive of GST)		(8,179,502)	(8,880,114)
		<u>(1,485,763)</u>	<u>(798,640)</u>
Interest received		11,162	6,071
Income taxes paid		(24,489)	-
Net cash used in operating activities	31	<u>(1,499,090)</u>	<u>(792,569)</u>
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(300,000)
Payments for property, plant and equipment		(63,694)	(7,500)
Payments for other non-current assets		-	-
Proceeds from disposal of businesses	5	4,002,606	578,991
Payments for intangibles	11	(19,302)	(100,287)
		<u>3,919,610</u>	<u>171,204</u>
Net cash (used)/from investing activities		<u>3,919,610</u>	<u>171,204</u>
Cash flows from financing activities			
Proceeds from issue of shares	14	2,200,000	-
Cost of issuing equity		(150,200)	-
Dividends paid		-	(90,000)
Proceeds from borrowings	18	47,000	578,000
Repayment of borrowings	18	(2,297,000)	(4,586)
Payments of lease liabilities		(78,654)	(67,617)
		<u>(278,854)</u>	<u>415,797</u>
Net cash from financing activities		<u>(278,854)</u>	<u>415,797</u>
Net decrease in cash and cash equivalents		2,141,666	(205,568)
Cash and cash equivalents at the beginning of the financial year		1,046,048	1,251,616
Effects of exchange rate changes on cash and cash equivalents		<u>(2,050)</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>3,185,664</u></u>	<u><u>1,046,048</u></u>

The Statement above includes discontinued operations, refer to note 26.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policies

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2026. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

The adoption of AASB 18 is expected to significantly impact the presentation and disclosure of the Group's financial statements, particularly the statement of profit or loss, through mandatory categorisation of income and expenses, enhanced disclosure of management-defined performance measures, and revised subtotals aimed at improving transparency and comparability.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss after tax of \$398,121 (2025: loss of \$72,204) and had net cash outflows from operating activities of \$1,499,090 (2025: \$792,569) for the year ended 30 June 2026.

These factors might indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe there are reasonable grounds to believe that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following other factors:

- During the year, the Group completed the sale of Embedded Health Solutions (EHS), to Nationwide Investment Holdings Pty Ltd, generating net proceeds of approximately \$4.0 million, and completed a \$2.2 million capital raising. As at 30 June 2026, the Group held cash and cash equivalents of \$3,185,664 and had no borrowings. The Directors believe these funds are available to support ongoing operations, meet working capital requirements and support the continued growth of its HMR Referrals marketplace platform for home medication reviews in the home care sector.
- Careteq Limited, with the assistance of R&D tax experts, has made further technical and factual submissions in relation to the Australian Tax Office reassessments issued in relation to R&D tax incentive claims for the years ended 30 June 2021, 30 June 2022 and 30 June 2023. The Directors (supported by its legal advisers) have appealed the reassessments and continue to believe that there is sufficient evidence in substantiation of the expenditure being incurred on R&D activities and adequately demonstrate the nexus between the expenditure and the R&D activities (refer note 29).
- The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of authorisation of the financial statements. The forecasts incorporate the consolidated entity's expected operating receipts, operating expenditure, working capital requirements and other committed obligations. Based on those forecasts, the Directors expect the consolidated entity to have sufficient cash resources to meet its obligations as and when they fall due throughout the forecast period.

Note 1. Material accounting policies (continued)

- The Group has the ability to raise funds from existing shareholders and new investors to support working capital if required pursuant to ASX listing rule 7.1 and 7.1.A.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Careteq Limited ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Careteq Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvements with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisitions of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Careteq Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 1. Material accounting policies (continued)

Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Careteq's main revenue streams are recognised as Contractual Recurring Revenue from Medication Review, Education & Support Services. Revenue from Quality Use of Medicine Contracts is recognised over the period of the contracts. Revenue from Mediation reviews is recognised at the point of time that they occur.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Government grants are recognised in the profit or loss on a systematic basis over the periods in which Careteq recognises, as expenses, the related costs for which the grants are intended to compensate.

Grants that compensate the Consolidated Entity for expenditures incurred are recognised in profit or loss on a systematic basis in the periods in which the expenditures are recognised. R&D tax offset receivables will be recognised in profit before tax (in EBIT) over the periods necessary to match the benefit of the credit with the costs for which it is intended to compensate. Such periods will depend on whether the R&D costs are capitalised or expensed as incurred.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 1. Material accounting policies (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Careteq Limited (the 'head entity') and its wholly-owned Australian subsidiaries were an income tax consolidated group under the tax consolidation regime until 31 March 2023. Effective 1 April 2023, Ward MM was deconsolidated from Careteq's income tax consolidated group, and formed an income tax consolidated group with Mederev under EHS. Careteq Limited is no longer part of an income tax consolidated group. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 1. Material accounting policies (continued)

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the consolidated entity has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Website

Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Software

Significant costs associated with software are capitalised and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 8 years.

Customer relationships on acquisition

Customer relationships on acquisition acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Note 1. Material accounting policies (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Note 1. Material accounting policies (continued)

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Note 1. Material accounting policies (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Careteq Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Research and development grant income

Income from research and development tax incentive grants is recognised in the periods in which the associated research and development expenditures are expensed by applying applicable eligibility criteria to estimate grant income receivable. This estimate is adjusted and recognised in the year the grant is received. The Group has made critical accounting estimates in relation to the recognition and measurement of income from Research and Development (R&D) tax incentive claims. In forming these estimates, management has:

- Engaged external experts to provide technical input and support the assessment of eligibility and substantiation of R&D expenditure;
- Considered relevant case law and ATO guidance to evaluate the nexus between the claimed expenditure and eligible R&D activities;
- Reassessed prior year lodgements and positions taken in light of the ATO's Position Paper and subsequent correspondence

These judgements are inherently uncertain and subject to change depending on the outcome of the ATO's review. The Group has disclosed the potential financial impact of these uncertainties in the contingent liabilities note (Note 29).

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Operating segments

Identification of reportable operating segments

In the current financial year, the consolidated entity is organised into one operating segment: Careteq Ltd. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Note 4. Revenue

	2026	2025
	\$	\$
From continuing operations		
Medication Review, Education & Support Services	<u>6,083,034</u>	<u>7,623,587</u>
Disaggregation of revenue		
The disaggregation of revenue from contracts with customers is as follows:		
	2026	2025
	\$	\$
<i>Timing of revenue recognition</i>		
Services transferred at a point in time - Contractual Services	3,711,290	4,617,664
Services transferred over time - Contractual Services	<u>2,371,744</u>	<u>3,005,923</u>
	<u>6,083,034</u>	<u>7,623,587</u>
<i>Geographical regions</i>		
Australia	<u>6,083,034</u>	<u>7,623,587</u>
	<u>6,083,034</u>	<u>7,623,587</u>

Major customer revenue contribution

There is no single customer that more than 10% of sales to external customers is derived from.

Note 5. Other income

	2026	2025
	\$	\$
R&D tax refund (reversal of historical accruals)	(1,214,291)	615,996
Interest income	11,162	6,070
Gain on disposal of the business of a Subsidiaries	2,022,201	-
Other income	<u>-</u>	<u>72,590</u>
Total Other income	<u>819,072</u>	<u>694,656</u>

(a) Disposal of the business of the Subsidiary

On 08 April 2026, Careteq Limited completed the Business and Asset Sale of its fully owned subsidiary Embedded Health Solutions to Nationwide Investment Holdings Pty Ltd. The Embedded Health Solutions assets and business were sold for a purchase price of \$5 million less purchase price adjustments of \$997,394. The settlement proceeds were used to fully pay out the Vendor loans entered into in August 2024 for the acquisition of the remaining 45% of Embedded Health Solutions from its minority shareholders. The Vendor loans, including all outstanding interest amounted to \$2.47 million.

An analysis of the fair value of the Embedded Health Solutions net assets to the net proceeds resulted in a gain on disposal of \$2.02 million.

Details of the sale of the business of the subsidiary	\$
Cash consideration received	4,002,606
Total disposal consideration	<u>4,002,606</u>
Carrying value of net assets disposed	(50,156)
Carrying value of goodwill, intangible assets & deferred tax liability allocated to disposed subsidiaries on consolidation	<u>(1,930,249)</u>
Gain on sale before income tax	<u>2,022,201</u>
Income tax on disposal	-
Gain on disposal after income tax	2,022,201

The carrying amounts of assets and liabilities as at the date of sale (08 April 2026) were:

Cash and cash equivalents	109
Trade and other receivable	387,762
Prepayments	33,570
Property, plant and equipment	<u>81,780</u>
Total assets	<u>503,221</u>
Trade and other payables	
Employee benefits	(13,740)
Contract liabilities	<u>(439,325)</u>
Total liabilities	<u>(453,065)</u>
Net assets	50,156

b) write-back of R&D claim income

R&D claims income accrued for FY24, FY25 and HY26 amounting to \$1,214,291 have been written back due to the continued delay in resolving the dispute with the ATO around the FY21, FY22 and FY23 R&D claims. Whilst Careteq believes that the response provided evidence of adequate substantiation of the expenditure incurred on R&D activities and that it has adequately demonstrated the nexus between the expenditure and the R&D activities. If the position of Careteq is not accepted by the ATO, the timing of resolution of any subsequent dispute cannot be determined.

Note 6. Expenses

	2026 \$	2025 \$
Loss before income tax from continuing operations includes the following specific expenses:		
<i>Depreciation</i>		
Depreciation and amortisation	288,686	342,012
<i>Finance costs</i>		
Finance costs	256,406	273,965
<i>Superannuation expense</i>		
Defined contribution superannuation expense	480,623	603,350

Note 7. Income tax expense

	2026 \$	2025 \$
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax expense	(516,347)	(465,313)
Tax at the statutory tax rate of 25% (2025: 25%)	(129,087)	(116,328)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non assessable R&D income	-	(153,999)
Share based payments	-	261
Other temporary differences	(233,148)	(29,062)
Other permanent differences	3,624	14,227
Current year tax losses not recognised	358,612	(284,902)
Current tax	-	-
Adjustment recognised for prior periods	(118,226)	(393,109)
Income tax expense/benefit	(118,226)	(393,109)
Total deferred tax assets on tax losses not recognised at 25% (2025: 25%)	3,556,589	3,551,642

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Note 8. Cash and cash equivalents

	2026	2025
	\$	\$
<i>Current assets</i>		
Cash on hand	-	109
Cash at bank	3,185,664	1,045,939
	<u>3,185,664</u>	<u>1,046,048</u>

Note 9. Trade and other receivables

	2026	2025
	\$	\$
<i>Current assets</i>		
Trade receivables	1,146	127,603
	<u>1,146</u>	<u>127,603</u>
GST receivable	21,988	22,850
Government grants receivable	-	1,340,757
	<u>23,134</u>	<u>1,491,210</u>

Allowance for expected credit losses

The company has not provided for expected credit losses.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2026	2025	2026	2025	2026	2025
	%	%	\$	\$	\$	\$
Neither past due not impaired	-	-	1,146	112,394	-	-
Past due 31 - 90 days	-	-	-	-	-	-
Past due 90+ days*	-	-	-	15,209	-	-
			<u>1,146</u>	<u>127,603</u>	<u>-</u>	<u>-</u>

Movements in the allowance for expected credit losses are as follows:

	2026	2025
	\$	\$
Opening balance	-	-
Additional provisions recognised	-	-
Closing balance	<u>-</u>	<u>-</u>

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Note 10. Contract assets

	2026 \$	2025 \$
<i>Current assets</i>		
Accrued income	1,723	638,965

Note 11. Intangibles

	2026 \$	2025 \$
<i>Non-current assets</i>		
Goodwill - at cost	-	1,726,520
Customer contracts - at cost	-	736,770
Less: Accumulated amortisation	-	(616,428)
	-	120,342
Software - at cost	-	187,913
HMRR platform - at cost	550,478	550,478
Less: Accumulated amortisation	(177,759)	(108,949)
	372,719	441,529
	372,719	2,476,304

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Note	Goodwill \$	Customer relationships on acquisition \$	Software Development \$	HMRR platform \$	Total \$
Balance at 1 July 2024		1,726,520	312,231	96,826	510,339	2,645,916
Additions		-	-	91,087	-	91,087
Amortisation expense		-	(191,889)	-	(68,810)	(260,699)
Balance 30 June 2025		1,726,520	120,342	187,913	441,529	2,476,304
Additions		-	-	19,302	-	-
Derecognised on disposal of EHS business	5	(1,726,520)	(120,342)	(207,215)	-	(2,054,077)
Amortisation expense		-	-	-	(68,810)	(68,810)
Balance at 30 June 2026		-	-	-	372,719	372,719

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Note 12. Trade and other payables

	2026	2025
	\$	\$
<i>Current liabilities</i>		
Trade payables	252,610	619,790
Other payables	232,742	789,342
	<u>485,352</u>	<u>1,409,132</u>

Note 13. Employee benefits

	2026	2025
	\$	\$
<i>Current liabilities</i>		
Employee benefits	<u>12,142</u>	<u>465,603</u>
<i>Non-current liabilities</i>		
Employee benefits	<u>4,109</u>	<u>57,205</u>

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 14. Issued capital

	2026	2025	2026	2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>733,118,720</u>	<u>237,118,720</u>	<u>27,893,361</u>	<u>25,491,600</u>

Movements in share capital

Details	Date	Shares	Issue price	\$
Balance	30 June 2024	<u>237,118,720</u>		<u>25,491,600</u>
Balance	30 June 2025	<u>237,118,720</u>		<u>25,491,600</u>
Conversion of Convertible Notes (net of costs)	25 February 2026	14,432,192	\$0.010	144,322
Issue of shares	25 February 2026	6,000,000	\$0.010	60,000
Issue of shares	18 March 2026	38,632,636	\$0.005	193,163
Share issue costs	18 March 2026			(17,749)
Issue of shares	5 May 2026	401,367,364	\$0.005	2,006,837
Share issue costs	5 May 2026			(340,490)
Conversion of Convertible Notes (net of costs)	4 June 2026	35,567,808	\$0.010	355,678
Closing Balance	30 June 2026	<u>733,118,720</u>		<u>27,893,361</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 14. Issued capital (continued)

Share buy-back

There is no current on-market share buy-back.

Capital risk management

Careteq's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, issue new shares or sell assets to reduce debt.

Capital is regarded as total equity, as recognised in the financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, Careteq may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Careteq would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. Careteq is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 15. Reserves

	2026	2025
	\$	\$
Foreign currency reserve	-	(357)
Options reserve	263,714	443,727
SAFE note	-	500,000
	<u>263,714</u>	<u>943,370</u>

On 10 June 2025, the consolidated entity issued a SAFE note with a face value of \$500,000, classified as an equity instrument. The note carries a coupon rate of 12% per annum, which is included in the face value and is payable through the issue of fully paid ordinary shares in Careteq Ltd at a conversion price of \$0.01 per share. The notes matured and were converted on 4 June 2026.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Options reserve

The reserve is used to recognise the value of equity benefits provided to employees, directors and other parties as part of their remuneration and compensation for services.

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Note 15. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	SAFE Note	Foreign exchange reserve	Option reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2024			507,512	507,512
Foreign currency translation	-	(357)		(357)
Options expired during the year	-	-	(120,503)	(120,503)
Share based payments	-	-	56,718	56,718
SAFE Note	500,000	-	-	500,000
Balance at 30 June 2025	500,000	(357)	443,727	943,370
Foreign currency translation	-	357		357
Options expired during the year	-	-	(388,052)	(388,052)
Share based payments	-	-	208,039	208,039
SAFE Note	(500,000)	-	-	(500,000)
Balance at 30 June 2026	-	-	263,714	263,714

Note 16. Accumulated losses

	2026 \$	2025 \$
Accumulated losses at the beginning of the financial year	(24,914,332)	(23,977,067)
Loss after income tax expense for the year	(398,478)	(68,874)
Acquisition of remaining 45% Embedded Health Solutions	-	(898,894)
Dividends paid	-	(90,000)
Transfer from options reserve	388,052	120,503
Accumulated losses at the end of the financial year	(24,924,758)	(24,914,332)

Note 17. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2026						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	252,610	-	-	-	252,610
Lease liabilities	8.52%	47,563	-	-	-	47,563
Other payables	-	232,742	-	-	-	232,742
Total non-derivatives		532,915	-	-	-	532,915
	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	619,790	-	-	-	619,790
Lease liabilities	8.52%	74,672	47,563	-	-	122,235
Loan payable	12.00%	87,360	-	-	-	87,360
Other payables	-	789,342	-	-	-	789,342
Total non-derivatives		1,571,164	47,563	-	-	1,618,727

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The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 18. Borrowings

	2026 \$	2025 \$
<i>Current liabilities</i>		
Loans from Directors	-	78,000
Vendor Earnout Payable (Current)	-	1,519,041
	<u>-</u>	<u>1,597,041</u>
<i>Non-current liabilities</i>		
Loan - Payable	-	-
Vendor Earnout Payable (Non-Current)	-	652,959
	<u>-</u>	<u>652,959</u>

Refer to note 17 for further information on financial instruments.

Loan agreements

In June 2025, Directors entered into loan agreements with the company, repayable on 4th June 2026; these were repaid on 6 May 2026.

Details of these agreements were as follows:

Loan from Mark Simari (Executive Chair)

- Loan amount \$26,500
- Maturity Date: 4th June 2026
- Interest Rate: 12% per annum (capitalised and added to the face value of the loan)

Loan from Brett Cheong (Non-Executive Director)

- Loan amount \$26,500
- Maturity Date: 4th June 2026
- Interest Rate: 12% per annum (capitalised and added to the face value of the loan)

Loan from David Lilja (Company Secretary)

- Loan amount \$25,000
- Maturity Date: 4th June 2026
- Interest Rate: 12% per annum (capitalised and added to the face value of the loan)

Vendor Earnout Payable

On 19 August 2024, Careteq limited acquired the remaining 45% of Embedded Health Solutions Pty Ltd (EHS) for \$2.4 million. The strategic acquisition solidifies the company's focus exclusively on medication management and clinical governance in the health, aged, and home care sectors.

The acquisition is structured as a vendor-financed transaction, with payments spread over eight quarterly instalments. Interest of 12% per annum is payable on the unpaid portion of the vendor-finance, secured by a Personal Property Securities Register (PPSR) registration over EHS. The vendors are restrained for competing with EHS for three years anywhere in Australia.

The vendor-finance was repaid out of the proceeds of the sale of the EHS business effective 31 March 2026.

Note 19. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2026	2025
	\$	\$
Short-term employee benefits	357,000	309,583
Post-employment benefits	-	1,792
Long-term benefits	-	-
	<u>357,000</u>	<u>311,375</u>

Note 20. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2026	2025
	\$	\$
Loss after income tax benefit	(1,928,140)	(1,601,593)
Total comprehensive income	-	-

Statement of financial position

	2026	2025
	\$	\$
Total current assets	2,926,695	493,970
Total non-current assets	372,719	2,264,875
Total assets	<u>3,299,414</u>	<u>2,758,845</u>
Total current liabilities	(292,499)	(2,330,924)
Total non-current liabilities	(4,109)	(665,402)
Total liabilities	<u>(296,608)</u>	<u>(2,996,326)</u>
Equity		
Issued capital	29,582,757	26,585,151
Capital raising costs	(1,689,396)	(1,093,551)
Reserves	263,714	943,370
Accumulated losses	(25,154,269)	(26,672,451)
Total equity/(deficiency)	<u>3,002,806</u>	<u>(237,481)</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

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Contingent liabilities

The parent entity's contingent liabilities as at 30 June 2026 and 30 June 2025 are detailed in Note 29.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the investments in subsidiaries are accounted for at cost, less impairment, in the parent entity.

Note 21. Interests in subsidiaries

(a) Ultimate parent

Careteq Limited is the ultimate parent entity and the parent entity of the consolidation entity from a legal perspective. For accounting purposes, Careteq Limited is the deemed ultimate parent of the consolidated entity in line with reverse acquisition accounting.

(b) Corporate structure

The legal corporate structure of the consolidated entity is set out below;

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2026 %	2025 %
666 915 448 Pty Ltd (previously Embedded Health Solutions Pty Ltd)	Australia	100%	100%
138 555 656 Pty Ltd (previously Mederev Pty Ltd)	Australia	100%	100%
079 817 637 Pty Ltd (previously Ward Health Group Pty Ltd)	Australia	100%	100%

Note 22. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 23. Share-based payments

A share option plan has been established by Careteq Limited, whereby the consolidated entity may, at the discretion of the Board of Directors, grant options over ordinary shares in the company to certain personnel of Careteq Limited. Share options are issued at nil consideration.

In addition, options may also be issued to advisers of the company for example to assist with capital raising activities.

On 16 September 2024, 6,000,000 options at an exercise price of \$0.015 were issued to some Careteq staff moving to Directed as part of the sale of the Sofihub Business. The options are under the condition that there is a minimum of 12 months employment with Directed Technologies Group.

On 05 May 2026, 50,000,000 Advisor options at an exercise price of \$0.015 were issued to support the capital raise.

Note 23. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/11/2021	30/11/2025	\$0.280	1,312,171	-	-	(1,312,171)	-
30/11/2021	30/11/2025	\$0.300	1,312,171	-	-	(1,312,171)	-
30/11/2021	30/11/2025	\$0.320	1,312,171	-	-	(1,312,171)	-
23/08/2023	23/08/2025	\$0.038	9,000,000	-	-	(9,000,000)	-
01/08/2024	01/08/2026	\$0.015	6,000,000	-	-	-	6,000,000
05/05/2026	05/05/2028	\$0.015	-	50,000,000	-	-	50,000,000
			18,936,513	50,000,000	-	(12,936,513)	56,000,000

Weighted average exercise price	\$0.085	\$0.015	\$0.000	\$0.117	\$0.015
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2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/11/2021	30/11/2025	\$0.280	1,312,171	-	-	-	1,312,171
30/11/2021	30/11/2025	\$0.300	1,312,171	-	-	-	1,312,171
30/11/2021	30/11/2025	\$0.320	1,312,171	-	-	-	1,312,171
15/12/2021	15/12/2024	\$0.094	155,862	-	-	(155,862)	-
06/05/2022	06/05/2025	\$0.200	2,000,000	-	-	(2,000,000)	-
12/12/2022	30/06/2025	\$0.200	3,000,000	-	-	(3,000,000)	-
23/08/2023	23/08/2025	\$0.038	9,000,000	-	-	-	9,000,000
01/08/2024	01/08/2026	\$0.015	-	6,000,000	-	-	6,000,000
			18,092,375	6,000,000	-	(5,155,862)	18,936,513

Weighted average exercise price	\$0.140	\$0.015	\$0.000	\$0.197	\$0.085
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For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
05/05/2026	05/05/2026	\$0.012	\$0.015	75%	-	4.41%	\$0.004

Note 24. Non-controlling interests

In the prior year, on 31 August 2024, Careteq Limited acquired the remaining 45% non-controlling interest of the entity called Embedded Health Solutions Pty Ltd. The difference between the sale price of \$2,400,000 and the non-controlling interest of \$1,501,106, was recognised in retained earnings \$898,894. The acquisition was vendor funded with repayments over 8 quarterly instalments in arrears with 12% interest. The balance outstanding at 30 June 2025 was \$2,172,000 shown in the balance sheet as \$1,519,041 current and \$652,959 non-current financial liabilities was paid out of the proceeds of sale of the EHS business effective 31 March 2026.

Note 25. Profit/(Loss) per share

	2026 \$	2025 \$
<i>Loss per share from discontinued operations</i>		
Loss after income tax attributable to the owners of Careteq Limited	-	(124,955)
	2026 \$	2025 \$
<i>Loss per share from continuing operations</i>		
Loss after income tax	(398,121)	(72,204)
Non-controlling interest	-	-
Loss after income tax attributable to the owners of Careteq Limited	(398,121)	(72,204)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share*	319,236,949	237,118,720
Weighted average number of ordinary shares used in calculating diluted earnings per share	319,236,949	237,118,720
6,000,000 (30 June 2025: 6,000,000) granted performance options, 50,000,000 (30 June 2025: nil) advisor options, nil (30 June 2025: 3,936,513) pre-IPO Consultant options, and nil (30 June 2025: 9,000,000) advisor options have been excluded from the above calculations as their inclusion would be anti-dilutive.		
Basic and diluted profit/(loss) per share - continuing operations	Cents	Cents
Basic profit/(loss) per share	(0.12)	0.02
Diluted profit/(loss) per share	(0.12)	0.02
Basic and diluted loss per share - discontinuing operations	Cents	Cents
Basic loss per share	-	(0.05)
Diluted loss per share	-	(0.05)
Basic and diluted loss per share - from operations	Cents	Cents
Basic loss per share	(0.12)	(0.03)
Diluted loss per share	(0.12)	(0.03)

Note 26. Discontinued operations

In the prior year, on 31 July 2024, the company announced the divestment of its Sofihub business for \$0.58 million upfront in cash plus transferring staff entitlements. This strategic divestment is expected to improve net operating cash flow by \$0.80 million per annum and accelerate the company's pathway to profitability.

The Sofihub operations have been classified as discontinued operations and deconsolidated from the results. The business sold represents the group's online integrated adaptive care platform that monitors and interacts with those individuals requiring care, their carer's and their surrounding environment. With the disposal of these operations the Sofihub business has been removed from the segment note.

Note 26. Discontinued operations (continued)

The results of discontinued operations for the year are presented below:

	2026	2025
	\$	\$
Discontinued revenue - Sofihub	-	105,200
Raw materials and consumables used	-	(16,432)
Corporate and administration	-	(55,981)
Employee benefits expense	-	(88,016)
Other expenses	-	(69,727)
Total expenses	<u>-</u>	<u>(230,156)</u>
Loss before income tax expense	-	(124,955)
Income tax expense	<u>-</u>	<u>-</u>
Loss after income tax expense from discontinued operations	<u><u>-</u></u>	<u><u>(124,955)</u></u>

The net cash flows incurred by the discontinued operations are:

	2026	2025
	\$	\$
Net cash from/(used in) operating activities	-	(124,955)
Net cash used in investing activities	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents from discontinued operations	<u><u>-</u></u>	<u><u>(124,955)</u></u>

	2026	2025
	cents	cents
Loss per share		
Loss per share for the year from discontinued operations	-	(0.05)

The basic and diluted loss per share is the same given in a loss position the effect of dilution would be anti-dilutive.

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM, the auditor of the company:

	2026	2025
	\$	\$
<i>Audit services -</i>		
Audit or review of the financial statements	<u>102,500</u>	<u>104,500</u>
<i>Other services -</i>		
R&D tax incentive review	<u>-</u>	<u>20,404</u>
	<u><u>102,500</u></u>	<u><u>124,904</u></u>

In FY26, remuneration of auditors is solely for audit services provided. No other services were provided by the auditor.

Note 28. Commitments

The consolidated entity had no commitments for expenditure as at 30 June 2026 and 30 June 2025.

Note 29. Contingent liabilities

Careteq Limited has the following contingent liabilities, being liabilities in respect of which there is the potential for a cash outflow in excess of any provision where the likelihood of payment is not considered probable or cannot be measured reliably at this time:

Careteq Limited received an audit position paper (Position Paper) from the Australian Taxation Office (ATO). The Position Paper relates to Careteq's R&D tax incentive claims for the years ended 30 June 2021, 30 June 2022 and 30 June 2023. Careteq Limited, with the assistance of R&D tax experts, made further technical and factual submissions in relation to the Position Paper on 30 May 2024. The submission included the R&D tax incentive claims for the years ended 30 June 2021, 30 June 2022 and 30 June 2023.

The ATO issued amended assessments in late May 2025 in relation to claims made under the Australian government's Research and Development Tax Incentive (R&D Tax Incentive) for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023.

The amended assessments follow a review by the ATO of Careteq's R&D Tax Incentive claims for the financial years specified above. While the specific grounds for the ATO's adjustments are being thoroughly reviewed with Careteq's tax and legal advisors, they generally relate to the ATO's re-evaluation of the eligibility of certain R&D activities and associated expenditure. This aligns with the ATO's recently intensified focus on R&D Tax Incentive compliance. The total amount sought by the ATO comprises the repayment of R&D Tax Incentive refunds of \$2.6 million, penalties of \$0.65 million and interest of \$0.34 million.

Careteq maintains its strong conviction in the eligibility of its R&D activities for the R&D Tax Incentive scheme and the validity of its R&D Tax Incentive claims for the periods in question. The company considers that it has always acted in good faith, relying on professional advice and maintaining what it believes to be robust documentation to substantiate its R&D expenditure. The company has lodged formal objections with the tax office in relation to these amended assessments, the objection process involves an independent internal review by the ATO objections team. The company will continue to engage constructively with the ATO throughout the objection process, supported by its legal advisor Minter Ellison. Should the objection be unsuccessful, Careteq will consider seeking further external review of the ATO's decision.

Careteq believes that the response provided evidence of adequate substantiation of the expenditure incurred on R&D activities and that it has adequately demonstrated the nexus between the expenditure and the R&D activities. If the position of Careteq is not accepted by the ATO, the timing of resolution of any subsequent dispute cannot be determined.

Note 30. Related party transactions

Parent entity

Careteq Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 21.

Key management personnel

Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the directors' report.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties as at 30 June 2026.

Loans from the previous reporting date have been repaid in FY26. Refer Note 18.

Note 31. Reconciliation of loss after income tax to net cash used in operating activities

	2026	2025
	\$	\$
Loss after income tax expense for the year	(398,121)	52,753
Discontinuing operations loss for the year	-	(124,955)
Adjustments for:		
Depreciation and amortisation	288,686	342,012
R&D incentive written off	1,214,291	-
Share-based payments	-	1,042
Foreign exchange differences	-	8,155
Income tax benefit	-	(393,109)
Finance costs	50,402	215,642
Gain on disposal of business	(2,022,201)	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	253,785	(248,665)
(Increase)/decrease in contract assets	249,480	68,133
Decrease in prepayments	-	68,196
(Increase)/decrease in other operating assets	(33,128)	(2,284)
Decrease in trade and other payables	(915,051)	(338,661)
Increase/(decrease) in employee benefits	(67,233)	(374,671)
Decrease in contract liabilities	-	-
Decrease in lease liabilities	-	(66,157)
Decrease in tax provisions	(120,000)	-
Net cash used in operating activities	<u>(1,499,090)</u>	<u>(792,569)</u>

Careteq Limited
Consolidated entity disclosure statement
As at 30 June 2026

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
666 915 448 Pty Ltd	Body corporate	Australia*	100.00%	Australia
138 555 656 Pty Ltd	Body corporate	Australia*	100.00%	Australia
079 817 637 Pty Ltd	Body corporate	Australia*	100.00%	Australia

*Careteq Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Careteq Limited
Directors' declaration
30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Simari
Chairman

27 August 2026

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT

To the Members of Careteq Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Careteq Limited. (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$0.4 million and operating cash outflows of \$1.5 million during the year ended 30 June 2026. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue <i>Refer to Note 4 in the financial statements</i>	
The Group has several different revenue streams that are recognised at a point in time and, in some cases, over time. There is a risk that inappropriate revenue recognition could lead to a material misstatement of income and related receivables. This risk is heightened due to the timing of invoicing, when the service is provided, and the complexities attached to the contracts Furthermore, there is a fraud risk, as management may have an incentive or be under pressure to engage in fraudulent financial reporting to meet board and shareholder expectations.	Our audit procedures in relation to revenue included: • assessing whether the Group's revenue recognition policies complied with AASB 15 <i>Revenue from Contracts with Customers</i>; • obtaining an understanding of relevant revenue processes and controls; • evaluating a sample of customer contracts and revenue transactions, including year-end transactions, to assess performance obligations and whether revenue was recognised in the correct amount and reporting period; and • performing analytical procedures over revenue streams and investigating significant or unusual movements.
Disposal of the Embedded Health Solutions business <i>Refer to Note 5 in the financial statements</i>	
On 31 March 2026, the Group completed the sale of its Embedded Health Solutions (EHS) business for \$4.0 million and recognised a gain on disposal of \$2.02 million. The transaction was significant to the Group and required management to exercise judgement in determining whether it qualified as a discontinued operation under AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>, identifying the assets and liabilities disposed of, calculating the gain on disposal, and assessing the related disclosures. Given the significance of the transaction and the judgement involved in its accounting treatment, we considered the disposal of EHS to be a key audit matter.	Our audit procedures in relation to the sale of EHS included: • reviewing the sale agreements and other relevant documentation to understand the nature and terms of the transaction; • evaluating management's assessment that the disposal of EHS did not meet the criteria for classification as a discontinued operation; • assessing the completeness and accuracy of the assets and liabilities included in the disposal; • assessing the accounting treatment applied to the transaction, including the derecognition of the assets and liabilities disposed as part of the transaction, and the calculation of the gain on disposal; • agreeing the consideration received or receivable to the sale agreements and relevant supporting documentation; and • assessing the completeness and accuracy of the disclosures relating to the disposal in the financial statements.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
ATO R&D Tax Incentive Repayment <i>Refer to Note 29 in the financial statements</i>	
During FY24, the ATO reviewed the Group's FY21 and FY22 R&D Tax Incentive claims and issued amended assessments for FY21-FY23. The assessments give rise to a potential liability of approximately \$2.6 million, plus penalties of \$0.65 million and interest of \$0.34 million. The Group has formally objected to the assessments and, as at 30 June 2026, the outcome remains uncertain. Management exercised significant judgement in determining the appropriate accounting treatment and disclosures under AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>. Given the financial significance of the matter and the judgement involved in assessing the potential obligation and related disclosures, we considered the ATO R&D Tax Incentive matter to be a key audit matter.	Our audit procedures in relation to the R&D tax incentive repayment include: - obtaining an understanding of the amended assessments, the objection process and the current status of the matter; - reviewing correspondence and information obtained from the Group, the ATO and external advisers relating to the disputed claims and the status of the objection process; - evaluating management's assessment of the probable outcome of the matter and the basis for any provision or contingent liability recognised or disclosed; - assessing whether the accounting treatment adopted was consistent with the requirements of AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>; and - assessing the adequacy of the related disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:
 - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

Responsibilities of the Directors for the Financial Report (continued)

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

REPORT ON THE REMUNERATION REPORT*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Careteq Limited., for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**RSM AUSTRALIA PARTNERS**

A L WHITTINGHAM
Partner

Dated: 27 August 2026
Melbourne, Victoria

Careteq Limited
Shareholder information
30 June 2026

Distribution Schedules

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	15	-	-	-
1,001 to 5,000	50	0.02	-	-
5,001 to 10,000	60	0.07	-	-
10,001 to 100,000	142	0.85	-	-
100,001 and over	192	99.05	-	-
	459	100.00	-	-
Holding less than a marketable parcel	-	-	-	-

Options

	Number of holders	Number of options	% Units
100,001 and Over	9	56,000,000	100.00
10,001 to 100,000	-	-	-
	9	56,000,000	100.00

Top Holders

The 20 largest holders of Fully Paid Ordinary Shares as at 30 June 2026 were:

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
ANTANAS GUOGA	93,667,808	12.78
KA1SA LENDING CORP	45,501,449	6.21
MR YONGLU YU	44,596,749	6.08
MS CHUNYAN NIU	44,000,000	6.00
MR FLYNN FEFE HUANG	40,000,000	5.46
PROPEL HOLDINGS PTY LTD	36,500,000	4.98
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	36,180,600	4.94
CITICORP NOMINEES PTY LIMITED	32,504,702	4.43
SANDTON CAPITAL PTY LTD	26,005,796	3.55
MS LIN ZHU	25,501,449	3.48
SWANSIDE INVESTMENTS PTY LTD	20,000,000	2.73
MR JOHN GERARD HUGHAN <WADE A/C>	20,000,000	2.73
MR KOBİ BEN SHABATH	20,000,000	2.73
MR PATRICK KOK	15,000,001	2.05
MR MARK SIMARI	10,588,812	1.44
MRS SHARON LANA GILES	10,326,069	1.41
CINQUE TERRA PTY LTD	10,000,000	1.36
MR YANGLONG ZHANG	10,000,000	1.36
PIPERLAKE PTY LTD <SERTORIO FAMILY ACCOUNT>	10,000,000	1.36
JTO FLINDERS PTY LTD	8,635,837	1.18
	559,009,272	76.25

Careteq Limited
Shareholder information
30 June 2026

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
ANTANAS GUOGA	93,667,808	12.78
KA1SA LENDING CORP	45,501,449	6.21
MR YONGLU YU	44,596,749	6.08
MS CHUNYAN NIU	44,000,000	6.00
MR FLYNN FEFE HUANG	40,000,000	5.46
PROPEL HOLDINGS PTY LTD	36,500,000	4.98

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

All quoted and unquoted options do not carry any voting rights.