

Careteq Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Careteq Limited
ABN: 83 612 267 857
Reporting period: For the half-year ended 31 December 2025
Previous period: For the half-year ended 31 December 2024

2. Results for announcement to the market

			\$
Revenues from ordinary activities from continuing operations	down	18.0% to	51,003
Loss from ordinary activities after tax from continuing operations attributable to the owners of Careteq Limited	up	22.8% to	(922,188)
Loss for the half-year attributable to the owners of Careteq Limited	up	85.1% to	(277,931)

Dividends

During the first half, no dividends were paid.

Comments

The comprehensive loss for the consolidated entity after income tax amounted to \$277,931 (31 December 2024: \$150,152).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.35)</u>	<u>(0.66)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable

8. Details of associate and joint venture entities

Not applicable

9. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year Report.

10. Attachments

The Half-year Report of Careteq Limited for the half-year ended 31 December 2025 is attached.

11. Signed

Signed 

Date: 26 February 2026

Mark Simari
Executive Chairman

Careteq Limited

ABN 83 612 267 857

Half-year Report - 31 December 2025

For personal use only

Careteq Limited
Contents
31 December 2025

Directors' Report	2
Auditor's independence declaration	4
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of financial position	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9
Directors' declaration	18
Independent auditor's report to the members of Careteq Limited	19

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

1.01, 3 Joseph Avenue
Mentone VIC 3194

A description of the nature of the company'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 26 February 2026. The directors have the power to amend and reissue the financial statements.

Careteq Limited
Directors' report
31 December 2025

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 period ended 31 December 2025.

Directors

The following persons were directors of the company during the whole of the financial half-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

Principal activities

During the half 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.

Review of operations

Following an internal review of the Company, its financial obligations and the on-going ATO matter that sits in the objections phase, the Board has reached the difficult decision to divest its main business, Embedded Health Solutions. The sale which is subject to shareholders approval enables the company to recalibrate its balance sheet and better position it to both grow the HMR Referrals marketplace platform and defend its position with the ATO and the current dispute.

Outlook

The proceeds from the sale of Embedded Health Solutions if approved by Shareholders are intended to be utilised to focus on the growth of the Careteq's platform HMR Referrals, recalibrate its balance sheet and better position the company to defend its position against the ATO and its current R&D claims whilst going through the formal objection process with the ATO.

Material business risks

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

- Sale of Embedded Health Solutions – In the event that shareholders do not approve the sale of Embedded Health Solutions, the Board will need to review its financial position and explore alternative measures to recalibrate its balance sheet.

Significant changes in the state of affairs

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

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.

Matters subsequent to the end of the financial half-year

On 6 February 2026, the company has entered into a binding sale agreement (SA) to divest its fully owned subsidiary, Embedded Health Solutions (EHS) to Nationwide Investments Holdings Pty Ltd (ACN: 664 833 970) (NIH). Business and asset sale agreement entered into for the divestment of EHS for \$5m (less customary purchase price adjustments). The sale will be subject to shareholders approval with an EGM proposed to be scheduled on 13 March 2026. The sale of EHS will enable Careteq to recalibrate its balance sheet and enable it to focus on growing its HMR Referral marketplace platform for home medication reviews in the home care sector.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, 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.

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 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mark Simari
Executive Chairman

26 February 2026

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Careteq Limited for the half year ended 31 December 2025, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



A L Whittingham
Partner

Date: 26 February 2026
Melbourne, Victoria

Careteq Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
Revenue	3	51,003	62,197
Other income		0	25,000
Total revenue		<u>51,003</u>	<u>87,197</u>
Expenses			
Raw materials and consumables used		-	(47)
Consulting and advisory		(159,660)	(138,000)
Corporate and administration		(355,522)	(284,752)
Employee benefits expense		(229,008)	(203,917)
Depreciation and amortisation expense		(34,405)	(34,405)
Share-based payments		-	(1,042)
Other expenses		(64,878)	(83,942)
Finance costs		(129,718)	(91,820)
Loss before income tax expense from continuing operations		<u>(922,188)</u>	<u>(750,728)</u>
Income tax expense		-	-
Loss after income tax expense from continuing operations		<u>(922,188)</u>	<u>(750,728)</u>
Discontinued operations			
Net profit from discontinued entity	13	644,257	600,576
Profit after income tax expense from discontinued operations		<u>644,257</u>	<u>600,576</u>
Loss after income tax expense for the year		<u>(277,931)</u>	<u>(150,152)</u>
Total comprehensive loss for the half-year		<u>(277,931)</u>	<u>(150,152)</u>
Profit(loss) for the half-year is attributable to:			
Discontinued operations		644,257	600,576
Owners of Careteq Limited		(922,188)	(750,728)
		<u>(277,931)</u>	<u>(150,152)</u>
Total comprehensive profit(loss) for the half-year is attributable to:			
Discontinued operations		644,257	600,576
Owners of Careteq Limited		(922,188)	(750,728)
		<u>(277,931)</u>	<u>(150,152)</u>
Profit/(loss) per share attributable to the owners of Careteq Limited		Cents	Cents
From continuing operations			
Basic loss per share	11	(0.39)	(0.35)
Diluted loss per share	11	(0.39)	(0.35)
From discontinued operations			
Basic profit per share	11	0.27	0.28
Diluted profit per share	11	0.27	0.28
From operations			
Basic loss per share	11	(0.12)	(0.07)
Diluted loss per share	11	(0.12)	(0.07)

Careteq Limited
Consolidated statement of financial position
As at 31 December 2025

	Note	31 December 2025 \$	30 June 2025 \$
Assets			
Current assets			
Cash and cash equivalents		681,802	1,046,048
Trade and other receivables	4	1,630,455	1,491,210
Contract assets		-	638,965
Assets held for sale	13	1,562,946	
Other		82,083	58,395
Total current assets		<u>3,957,286</u>	<u>3,234,618</u>
Non-current assets			
Property, plant and equipment		-	39,315
Intangibles	5	407,124	2,476,304
Right of use assets		-	107,533
Other		77,843	87,043
Total non-current assets		<u>484,967</u>	<u>2,710,195</u>
Total assets		<u>4,442,253</u>	<u>5,944,813</u>
Liabilities			
Current liabilities			
Trade and other payables	6	751,800	1,409,132
Lease liabilities		-	74,672
Financial Liabilities	9	2,297,000	1,597,041
Employee benefits		39,532	465,603
Income tax		95,511	120,000
Total current liabilities		<u>3,183,843</u>	<u>3,666,448</u>
Non-current liabilities			
Financial Liabilities	9	-	652,959
Employee benefits		15,703	57,205
Lease liabilities		-	47,563
Total non-current liabilities		<u>15,703</u>	<u>757,727</u>
Total liabilities		<u>3,199,546</u>	<u>4,424,175</u>
Net assets		<u>1,242,707</u>	<u>1,520,638</u>
Equity			
Issued capital	7	25,491,600	25,491,600
Reserves	8	555,318	943,370
Accumulated losses		(24,804,211)	(24,914,332)
Total equity		<u>1,242,707</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 half-year ended 31 December 2025

	Issued capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2024	25,491,600	507,512	(23,977,067)	1,501,106	3,523,151
Loss after income tax expense for the half-year	-	-	(66,477)	-	(66,477)
Other comprehensive loss for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(66,477)	-	(66,477)
Acquisition of remaining 45% Embedded Health Solutions	-	-	(898,894)	(1,501,106)	(2,400,000)
Careteq discontinued operations	-	(357)	(80,353)	-	(80,710)
<i>Transactions with owners in their capacity as owners:</i>					
Dividends paid (note 10)	-	-	(90,000)	-	(90,000)
Share based payment transactions	-	56,718	-	-	56,718
Reclassification of expired options	-	(21,828)	21,828	-	-
Balance at 31 December 2024	<u>25,491,600</u>	<u>542,045</u>	<u>(25,090,963)</u>	<u>-</u>	<u>942,682</u>

	Issued capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	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 half-year	-	-	(922,188)	-	(922,188)
From continuing operations	-	-	(922,188)	-	(922,188)
Total comprehensive loss for the half year	-	-	(922,188)	-	(922,188)
EHS discontinued operations (note 13)	-	-	644,257	-	(80,710)
Reclassification of expired options	-	(388,052)	(388,052)	-	-
Balance at 31 December 2025	<u>25,491,600</u>	<u>555,318</u>	<u>(24,804,211)</u>	<u>-</u>	<u>1,242,707</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Careteq Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2025

	31 December 2025 \$	31 December 2024 \$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	4,021,701	4,466,552
Government grants and tax incentives	6,600	-
Payments to suppliers and employees (inclusive of GST)	(4,319,609)	(4,982,932)
Interest received	3,775	3,317
Income taxes paid	(24,489)	(1,558)
	<u>(312,022)</u>	<u>(514,621)</u>
Cash flows from investing activities		
Payments in relation to business acquisitions	-	(300,000)
Payments for property, plant and equipment	(24,656)	(19,995)
Payments for intangible assets	(16,017)	-
Proceeds from disposal of business	-	578,991
	<u>(40,672)</u>	<u>258,996</u>
Cash flows from financing activities		
Proceeds from borrowings	47,000	-
Payments of lease liabilities	(38,651)	(38,651)
Interest and other finance costs paid	(17,109)	(30,826)
Dividends paid	-	(90,000)
	<u>(8,760)</u>	<u>(159,477)</u>
Net decrease in cash and cash equivalents	(361,455)	(415,102)
Cash and cash equivalents at the beginning of the financial half-year	1,046,048	1,251,616
Effects of exchange rate changes on cash and cash equivalents	2,791	10,219
	<u>681,802</u>	<u>846,733</u>

The Statement above includes discontinued operations, refer note 13.

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 of \$277,931 (December 2024: loss of \$150,152) and had net cash outflows from operating activities of \$312,022 (December 2024: \$514,621) for the half-year ended 31 December 2025.

These factors 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:

- On 6 February 2026, the company has entered into a binding sale agreement (SA) to divest its fully owned subsidiary, Embedded Health Solutions (EHS) to Nationwide Investments Holdings Pty Ltd (ACN: 664 833 970) (NIH). Business and asset sale agreement entered into for the divestment of EHS for \$5m (less customary purchase price adjustments). The cash position of the company as a result of that sale will fund operating cashflows for many years as the company focuses on growing its HMR Referral marketplace platform for home medication reviews in the home care sector.
- The Directors have prepared a forecast which indicated that the entity's current cash balance is sufficient to meet working capital requirements for 12 months from the date of signing this report;
- Careteq Limited, with the assistance of R&D tax expert, has made further technical and factual submission 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 reassessment 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 12);
- 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.

Careteq Limited
Notes to the consolidated financial statements
31 December 2025

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.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern

Note 2. Operating segments

Identification of reportable operating segments

In the current financial half-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 3. Revenue

	31 December 2025	31 December 2024
	\$	\$
Medication Review, Education & Support Services Revenue	51,003	62,197
	<u>51,003</u>	<u>62,197</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	31 December 2025	31 December 2024
	\$	\$
<i>Timing of revenue recognition</i>		
Services transferred at a point in time - Contractual Services	51,003	62,197
Total	<u>51,003</u>	<u>62,197</u>
<i>Geographical information</i>		
Australia	51,003	62,197
Total	<u>51,003</u>	<u>62,197</u>

Major customer revenue contribution

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

Note 4. Trade and other receivables

	31 December 2025	30 June 2025
	\$	\$
<i>Current assets</i>		
Trade receivables	787	127,603
	<u>787</u>	<u>127,603</u>
GST receivable	17,513	22,850
Government grants receivable	1,612,155	1,340,757
	<u>1,630,455</u>	<u>1,491,210</u>

Allowance for expected credit losses

The company has recognised a loss of \$ nil (30 June 2024: \$ nil) in profit or loss in respect of the expected credit losses for the year ended 31 December 2025.

Careteq Limited
Notes to the consolidated financial statements
31 December 2025

Note 5. Intangibles

	31 December 2025 \$	30 June 2025 \$
<i>Non-current assets</i>		
Goodwill	-	1,726,520
Customer relationships on acquisition - at cost	-	736,770
Less: Accumulated amortisation	-	(616,428)
	-	120,342
Referrals Software Platform	-	187,913
Referrals Software Platform	-	-
	-	187,913
HMRR platform	550,478	550,478
Less: Accumulated amortisation	(143,354)	(108,949)
	407,124	441,529
Intangibles	<u>407,124</u>	<u>2,476,304</u>

Reconciliations

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

	Goodwill \$	Customer relationships on acquisition \$	Software \$	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 at 30 June 2025	1,726,520	120,342	187,913	441,529	2,476,304
Additions	-	-	19,302	-	19,302
Derecognised on disposal of Embedded Health Solutions	(1,726,520)	(120,342)	(207,215)	-	(2,054,077)
Amortisation expense	-	-	-	(34,405)	(34,405)
Balance at 31 December 2025	-	-	-	407,124	407,124

Careteq Limited
Notes to the consolidated financial statements
31 December 2025

Note 6. Trade and other payables

	31 December 2025	30 June 2025
	\$	\$
<i>Current liabilities</i>		
Trade payables	283,901	619,790
Other payables	467,899	789,342
	<u>751,800</u>	<u>1,409,132</u>
Trade and other payables	<u>751,800</u>	<u>1,409,132</u>

Note 7. Issued capital

	31 December 2025	30 June 2025	31 December 2025	30 June 2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>237,118,720</u>	<u>237,118,720</u>	<u>25,491,600</u>	<u>25,491,600</u>

Movements in ordinary share capital

There has been no movement in ordinary share capital in the year.

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.

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.

Note 8. Reserves

	31 December 2025	30 June 2025
	\$	\$
Foreign currency reserve	(357)	(357)
Options reserve	55,675	443,727
SAFE note	500,000	500,000
	<u>555,318</u>	<u>943,370</u>
Reserves	<u>555,318</u>	<u>943,370</u>

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.

Careteq Limited
Notes to the consolidated financial statements
31 December 2025

Note 9. Borrowings

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 12% interest. The balance outstanding at 31 December 2025 was \$2,172,000. In June 2025, Directors entered into Loan agreements with the Company, totalling \$125,000. The total amount of borrowings is shown in the balance sheet as a current financial liability.

Note 10. Events after the reporting period

On 6 February 2026, the company has entered into a binding sale agreement (SA) to divest its fully owned subsidiary, Embedded Health Solutions (EHS) to Nationwide Investments Holdings Pty Ltd (ACN: 664 833 970) (NIH). Business and asset sale agreement entered into for the divestment of EHS for \$5m (less customary purchase price adjustments). The sale will be subject to shareholders approval with an EGM proposed to be scheduled on 13 March 2026. The sale of EHS will enable Careteq to recalibrate its balance sheet and enable it to focus on growing its HMR Referral marketplace platform for home medication reviews in the home care sector.

No other matters or circumstances have arisen since 31 December 2025 that have significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 11. Profit/(loss) per share

	31 December 2025	31 December 2024
	\$	\$
<i>Profit per share from discontinued operations</i>	644,257	600,576
<i>Loss per share from continuing operations</i>		
Loss after income tax expense for the year	(922,188)	(750,728)
Loss after income tax attributable to the owners of Careteq Limited	<u>(922,188)</u>	<u>(750,728)</u>
	31 December 2025	31 December 2024
	\$	\$
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	237,118,720	216,559,154
Adjustments for calculation of diluted loss per share:		
Options over ordinary shares	-	-
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>237,118,720</u>	<u>216,559,154</u>
	Cents	Cents
From continuing operations		
Basic loss per share	(0.39)	(0.35)
Diluted loss per share	(0.39)	(0.35)
From discontinued operations		
Basic profit per share	0.27	0.28
Diluted profit per share	0.27	0.28
From operations		
Basic loss per share	(0.12)	(0.07)
Diluted loss per share	(0.12)	(0.07)

Note 11. Profit/(loss) per share (continued)

6,000,000 (31 December 2024: 6,000,000) granted performance options have been excluded from the above calculations as their inclusion would be anti-dilutive.

Note 12. 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.

For the year ended 30 June 2024 the group recognised an R&D tax incentive claim of \$0.6 million, further for the year ended 30 June 2025 the group recognised an R&D tax incentive claim of \$0.6 million and a further for the half year ended 31 December 2025 the group recognised an R&D tax incentive claim of \$0.3 million, these claims have yet to be lodged, the ATO may form a view that we are not entitled to these claims.

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 13. Discontinued operations

On 6 February 2026, the company has entered into a binding sale agreement (SA) to divest its fully owned subsidiary, Embedded Health Solutions (EHS) to Nationwide Investments Holdings Pty Ltd (ACN: 664 833 970) (NIH). Business and asset sale agreement entered into for the divestment of EHS for \$5m (less customary purchase price adjustments). The sale will be subject to shareholders approval with an EGM proposed to be scheduled on 13 March 2026. The sale of EHS will enable Careteq to recalibrate its balance sheet and enable it to focus on growing its HMR Referral marketplace platform for home medication reviews in the home care sector. As a result the operations of EHS have been classified as discontinued operations and held for sale at 31 December 2025 and the previous reporting period

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.

In 2024, the Sofihub operations were 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.

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

	31 December 2025	31 December 2024
	\$	\$
Discontinued revenue - Sofihub	-	105,038
Discontinued revenue - EHS	3,870,115	3,938,738
Other income	319,526	314,646
Raw materials and consumables used	-	(16,432)
Consulting and advisory	-	-
Corporate and administration	(22,882)	(69,399)
Employee benefits expense	(2,938,868)	(3,016,161)
Depreciation and amortisation expense	(149,365)	(135,679)
Finance costs	(11,286)	(42,238)
Other expenses	(422,983)	(477,937)
Profit before income tax expense	644,257	600,576
Income tax expense	-	-
Profit after income tax expense from discontinued operations	644,257	600,576
Foreign currency translation	-	-
Total comprehensive profit for the half-year from discontinued operations	644,257	600,576

Careteq Limited
Notes to the consolidated financial statements
31 December 2025

Note 13. Discontinued operations (continued)

	2025	2024
	\$	\$
Net cash from operating activities	105,688	290,231
Net cash used in investing activities	(40,672)	(19,995)
Net cash used in financing activities	(49,209)	(267,455)
	<hr/>	<hr/>
Net increase in cash and cash equivalents from discontinued operations	15,807	2,781
	<hr/> <hr/>	<hr/> <hr/>
	2025	2024
	cents	cents
Profit per share for the year from discontinued operations	0.27	0.28

A reconciliation of the net assets to be disposed is as follows:

	2025
	\$
Carrying Value of net assets of business to be disposed	\$
Receivables	82,677
Prepayments	81,981
Accrued Revenue	731,951
Property, plant and equipment	144,387
Intangibles	1,957,786
Total assets	2,998,782
Trade and other payables	(905,198)
Lease Liabilities	(86,365)
Employee provisions	(444,273)
Total liabilities	(1,435,836)
Net assets	1,562,946
Details of the disposal	
Carrying amount of net assets disposed	(1,562,946)
Consideration *	4,355,727
Disposal costs	(50,000)
Profit on disposal before income tax	2,742,781
Profit on disposal after income tax	2,742,781
	<hr/>
* Consideration	
Purchase price	5,000,000
Estimated working capital adjustment	(200,000)
Estimated employee leave transferred	(444,273)
Consideration	4,355,727

Careteq Limited
Directors' declaration
31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mark Simari
Executive Chairman

26 February 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Careteq Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Careteq Limited ('the Company') and its controlled entities (together referred as 'the Consolidated entity') which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policy information and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Careteq Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Consolidated entity 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 annual 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 Careteq Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated entity incurred a net loss of \$277,931 during the half year ended 31 December 2025 and has cash outflows from operating activities of \$312,022. 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 Consolidated entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Director's Responsibility for the Half-Year Financial Report

The directors of Careteq Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Date: 26 February 2026
Melbourne, Victoria