

# Stakk delivers 158% YoY revenue growth in FY25

- Stakk's growth in revenue is driven by **the successful commercialisation of its Embedded Finance solution.**
- **Total revenue for the year was \$1.24m, and Total normalised revenue for the year was \$2.07m** (on a pro forma basis\* including the acquired R-DBX)
- Stakk delivers critical functionality to **202 Banks & Credit Unions, 8 Neobanks and 2 Fintech partners.**
- Earlier this week Stakk announced the Sharetec partnership, adding an additional **\$1.02m in ARR, or \$3.05m over the next 3-years.**
- Key clients now include leading financial brands such as **Current, GreenFi, Albert, Navy Federal and Lili.**

Sydney, 29 August 2025 - **Stakk Ltd (ASX: SKK)** is delighted to announce its FY25 preliminary annual report. Stakk delivered solid revenue for the year of \$1.24m, up from \$481k in FY24 (a 158% YoY increase), primarily driven by its core Embedded Finance solution.

**Andy Taylor**, Chief Executive Officer of Stakk, said,

*"I'm pleased to announce a strong and positive year in revenue growth for the Company for FY25. This follows the successful commercialisation of our Embedded Finance solutions specifically for the B2B and Financial Services sectors. The year also saw us successfully completed the wind down of our B2C app and all corresponding cost centres, therefore delivering us significant operational cost savings in both Australia and the U.S., while also allowing us to focus on where the real growth is coming from.*

*I remind shareholders that the financial statements we present to you today reflect the tail-end of our prior B2C business strategies (and their cost centres), together with the momentous progress achieved in the second half of the year from our new B2B strategies. I encourage all of our shareholders to review the recent announcements, particularly our 4Cs, for this calendar year, and to form an opinion on the meaningful traction we have achieved. As part of our focus on B2B, the Company has begun to wind down its B2C offering.*

*As announced earlier this week, the Company now has annualized ARR of \$3.05m, being generated from 200+ Banks, Credit Unions, Neobanks and Fintech partners across the Australian and U.S. markets. I'm proud to say that this is a tremendously encouraging outlook as we continue into FY26 and navigate the current inflection point we are at.*

\* Non IFRS pro forma basis includes R-DBX revenue in FY25 from the ~6 months prior to completion of the acquisition, using a AUD:USD 0.65 exchange rate.



*I'd like to thank our shareholders for all of their support during the past 12 months, and look forward to sharing many more updates with you during FY26."*

-End-

This announcement has been approved for release on the ASX by the Board of Directors.

**About Stakk**

[Stakk](#) is a leading provider of Embedded Finance solutions, delivering critical functionality to 200+ Banks, Credit Unions, Neobanks and Fintech partners across the Australian and U.S. markets.

Stakk Limited  
Appendix 4E  
Preliminary final report

1. Company details

Name of entity:	Stakk Limited
ABN:	41 108 042 593
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

---

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	158% to	1,242,979
Loss from ordinary activities after tax attributable to the owners of Stakk Limited	up	63% to	(2,460,750)
Loss for the year attributable to the owners of Stakk Limited	up	63% to	(2,473,387)

*Dividends*

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

*Comments*

The loss for the consolidated entity after providing for income tax amounted to \$2,460,750 (30 June 2024: \$1,514,240).

---

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.13)</u>	<u>(0.06)</u>

---

4. Control gained over entities

Effective 28 December 2024, the Company completed the acquisition of the US-based B2B fintech platform services business, Radical DBX, Inc. (R-DBX).

---

5. Loss of control over entities

As part of a restructure of the Group, wholly owned subsidiary Dough Labs Pty Ltd was placed into liquidation in February 2024. The wind up for this entity is in process.

---

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.

---

For personal use only

## 7. Dividend reinvestment plans

Not applicable.

---

## 8. Details of associates and joint venture entities

Not applicable.

---

## 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

---

## 10. Significant information relating to the entity's financial performance and financial position

### Overview

During the year, the Company's focus was on commercialising its B2B Embedded Finance (SaaS) offering following the closure of the acquisition of Radical DBX, Inc in the U.S. Whilst also making additional R&D investment into the development of its expanded commercial payments & lending solution.

### Revenue

In FY2025, Stakk delivered total revenue from ordinary activities of **\$1,242,979** (FY24 \$481,439). Revenue was materially up 158% versus last year driven by the growth in Embedded Finance activities in the U.S. The Stakk solution is empowering Fintech's, Banks and Credit Unions to build superior customer experiences.

### Explanation of Loss

The Company recorded a loss after tax of \$2.4M (FY2024 loss after tax of \$1.5M) from total expenses of \$4.5M. The Company onboarded the new acquisition part way through the reporting period, incurring costs and share based payments in relation to this. A further \$1.1M was also invested into R&D for the Company's platforms.

### Cash Position

Cash at the end of the year was \$381,045. Cash inflows from financing activities were \$176,429 and cash inflows from operating activities were \$40,023 resulting in a net increase in cash for the year of \$222,912.

### Outlook

The Company anticipates that revenue will rapidly accelerate with the launch of its new Embedded Payments & Lending solution, starting in the Australian market in FY26.

---

## 11. Audit status

The Preliminary Financial Report is based on financial statements that are in the process of being audited. It is likely that the Auditor will issue an Independent Auditor's Report that will contain a paragraph on material uncertainty related to going concern.

---

## 12. Attachments

*Details of attachments (if any):*

The Preliminary Financial Report of Stakk Limited for the year ended 30 June 2025 is attached.

---

Stakk Limited  
Appendix 4E  
Preliminary final report

13. Signed

Signed  \_\_\_\_\_

Date: 29 August 2025

Andy Taylor  
Managing Director

For personal use only



# Interim report

29 August 2025

Stakk Limited ABN 41 108 042 593

Stakk Limited  
Corporate directory  
30 June 2025

Directors	Andrew Taylor (Managing Director, Chairman and CEO) Nikhil Ghanekar (Executive Director) Arthur Lo (Non-Executive Director) Michelle Tang (Non-Executive Director) Bert Mondello (Non-Executive Director)
Company secretary	Derek Hall
Registered office Principal place of business	5 Lime Street, Suite 431, Sydney, NSW 2000 5 Lime Street, Suite 431, Sydney, NSW 2000
Share register	Automic Registry Services Level 5 191 St Georges Terrace Perth WA 6009
Auditor	Hall Chadwick Level 40, 2 Park Street Sydney, NSW 2000
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000 Australia T +61 (0) 8 9321 4000
Stock exchange listing	Stakk Limited shares are listed on the Australian Securities Exchange (ASX code: SKK).
Website	<a href="https://stakk.tech/">https://stakk.tech/</a>

For personal use only

Stakk Limited  
Contents  
30 June 2025

Preliminary consolidated statement of profit or loss and other comprehensive income	4
Preliminary consolidated statement of financial position	5
Preliminary consolidated statement of changes in equity	6
Preliminary consolidated statement of cash flows	7
Notes to the preliminary consolidated financial statements	8

**General information**

The preliminary financial statements cover Stakk Limited as a consolidated entity consisting of Stakk Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Stakk Limited's functional and presentation currency.

Stakk Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

For personal use only

Stakk Limited  
Consolidated statement of profit or loss and other comprehensive income  
For the year ended 30 June 2025

	Note	Consolidated	
		30 June 2025	30 June 2024
		\$	\$
<b>Revenue</b>		1,242,979	481,439
Other income	3	756,730	1,034,932
Net gain on deconsolidation of subsidiary	4	-	1,208,317
<b>Expenses</b>			
Share based payments		(506,073)	(146,033)
Administrative and operating activities		(735,659)	(714,533)
Employee benefits expense		(1,103,175)	(1,212,834)
Research and development costs		(1,135,364)	(1,383,597)
Depreciation and amortisation expense		(13,570)	(18,290)
Direct and other operational costs		(819,941)	(442,678)
Finance costs		(85,388)	(71,459)
Advertising and marketing		(61,289)	(249,504)
<b>Loss before income tax expense</b>		(2,460,750)	(1,514,240)
Income tax expense		-	-
<b>Loss after income tax expense for the year attributable to the owners of Stakk Limited</b>		(2,460,750)	(1,514,240)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(12,637)	1,025
<b>Other comprehensive income for the year, net of tax</b>		(12,637)	1,025
<b>Total comprehensive loss for the year attributable to the owners of Stakk Limited</b>		<u>(2,473,387)</u>	<u>(1,513,215)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	8	(0.15)	(0.14)
Diluted earnings per share	8	(0.15)	(0.14)

The accompanying notes form part of these preliminary financial statements.

Stakk Limited  
Consolidated statement of financial position  
As at 30 June 2025

	Note	Consolidated	
		2025	2024
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		381,045	158,133
Trade and other receivables	5	1,186,345	1,153,726
Other assets		87,419	87,419
Total current assets		<u>1,654,809</u>	<u>1,399,278</u>
<b>Non-current asset</b>			
Intangibles		12,619,305	72,300
Total non-current asset		<u>12,619,305</u>	<u>72,300</u>
<b>Total assets</b>		<u>14,274,114</u>	<u>1,471,578</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		3,005,110	1,775,704
Employee benefits		478,512	194,313
Other liabilities		382,610	187,323
Total current liabilities		<u>3,866,232</u>	<u>2,157,340</u>
<b>Total liabilities</b>		<u>3,866,232</u>	<u>2,157,340</u>
<b>Net assets/(liabilities)</b>		<u>10,407,882</u>	<u>(685,762)</u>
<b>Equity</b>			
Issued capital	7	40,080,035	33,318,843
Reserve		9,487,671	2,694,469
Accumulated losses		(39,159,824)	(36,699,074)
<b>Total equity/(deficiency)</b>		<u>10,407,882</u>	<u>(685,762)</u>

The accompanying notes form part of these preliminary financial statements.

Stakk Limited  
Consolidated statement of changes in equity  
For the year ended 30 June 2025

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	32,736,540	2,773,613	(35,184,834)	325,319
Loss after income tax expense for the year	-	-	(1,514,240)	(1,514,240)
Other comprehensive income for the year, net of tax	-	1,025	-	1,025
Total comprehensive income for the year	-	1,025	(1,514,240)	(1,513,215)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	385,000	-	-	385,000
Share-based payments	226,202	(80,169)	-	146,033
Transaction costs paid via options issued	(28,899)	-	-	(28,899)
Balance at 30 June 2024	<u>33,318,843</u>	<u>2,694,469</u>	<u>(36,699,074)</u>	<u>(685,762)</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	33,318,843	2,694,469	(36,699,074)	(685,762)
Loss after income tax expense for the year	-	-	(2,460,750)	(2,460,750)
Other comprehensive income for the year, net of tax	-	(12,637)	-	(12,637)
Total comprehensive income for the year	-	(12,637)	(2,460,750)	(2,473,387)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	506,073	-	506,073
Issue of shares for services rendered	234,835	-	-	234,835
Issue of shares in lieu of accrued salaries	68,800	-	-	68,800
Issue of shares to directors in lieu of fees	223,100	-	-	223,100
Issue of shares to vendors of R-DBX (Note 9)	6,249,766	6,299,766	-	12,549,532
Share issue costs	(15,309)	-	-	(15,309)
Balance at 30 June 2025	<u>40,080,035</u>	<u>9,487,671</u>	<u>(39,159,824)</u>	<u>10,407,882</u>

The accompanying notes form part of these preliminary financial statements.

Stakk Limited  
Consolidated statement of cash flows  
For the year ended 30 June 2025

Note	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	1,028,267	402,631
Payments to suppliers and employees (inclusive of GST)	(1,921,181)	(1,987,058)
	(892,914)	(1,584,427)
Interest received	12,391	32,547
Government grants received	1,002,385	1,648,215
Interest and other finance costs paid	(81,839)	(70,526)
Income taxes refunded/(paid)	-	-
Net cash from operating activities	40,023	25,808
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	(29,205)
Cash from acquisition of subsidiary	6,460	-
Net cash from/(used in) investing activities	6,460	(29,205)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	385,000
Proceeds from borrowings	233,030	129,700
Share issue transaction costs	(15,309)	(28,899)
Repayment of borrowings	(41,292)	(1,100,140)
Net cash from/(used in) financing activities	176,429	(614,339)
Net increase/(decrease) in cash and cash equivalents	222,912	(588,532)
Cash and cash equivalents at the beginning of the financial year	158,133	746,665
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the financial year	381,045	158,133

*The accompanying notes form part of these preliminary financial statements.*

## Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Basis of preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This report is to be read in conjunction with any public announcements made by Stakk Limited during the reporting period in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

The preliminary financial statements of Stakk Limited comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

### *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 net loss after tax of \$2,460,750 and had net cash inflows from operating activities of \$40,023 during the year ended 30 June 2025. As of that date, the consolidated entity had reported accumulated losses of \$39,159,824.

Notwithstanding the above, the Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern, and it is appropriate to prepare the financial statements on a going concern basis. In determining this position, the Directors have considered the following factors:

- Cash on hand of \$381,045 as at 30 June 2025;
- An equity facility agreement of up to \$20M available on call subject to placement capacity rules provides sufficient access to funding as required;
- A convertible note debt facility of up to USD\$650,000 (\$999,485 at reporting date) which was drawn to the value of \$258,000 only at 30 June 2025;
- Proven track record of management in raising debt or equity;
- Research and development tax incentives estimated to be received is \$744,339.

The consolidated entity is constantly assessing its ongoing cash requirements. The consolidated entity maintains an internal cash flow management process which is based on detailed revenue and expense projections. Should these assumptions not be achieved, the Consolidated Entity has the ability to implement additional cost savings to maintain a positive cash balance over the next 12 months.

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 statements.

The financial statements do 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. Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors. During the period the Company only operated in one segment and that was the operation and development of a financial wellness focused mobile app.

## Note 3. Other income

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Government grant R&D	744,339	1,002,385
Interest income	12,391	32,547
Other income	756,730	1,034,932

### Accounting policy for other income

#### Government grant

Government grants are recognised at fair value where there is reasonable assurance the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Except for amount received under the R&D tax incentive program, grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

## Note 4. Gain on deconsolidation of subsidiary

### (a) Description

On 12 February 2024, the Company appointed Mr. Mathieu Tribut as the liquidator to oversee the winding up of its controlled entity, Douugh Labs Pty Ltd. This decision was formally approved by the Board of Directors following a thorough review and consideration of the subsidiary's strategic relevance and executed in the Company capacity as a creditor as a creditor's voluntary liquidation. The Board concluded that Douugh Labs Pty Ltd no longer aligned with the Company's long-term objectives and was therefore deemed unnecessary. Consequently, Stakk Limited no longer holds a controlling interest in Douugh Labs Pty Ltd, and the subsidiary has been deconsolidated from the Company's consolidated financial statements.

### (b) Critical accounting judgements, estimates and assumptions

#### *Classification of loss of control*

By virtue of Mr. Mathieu Tribut having obtained control, Stakk Limited has lost control of Douugh Labs Pty Ltd, resulting in deconsolidation of Douugh Labs Pty Ltd, and the subsequent recognition of an investment in an associate.

#### *Fair value on initial recognition of associate*

Upon the disposal of Douugh Labs Pty Ltd, the fair value of the Company's retained interest, which was 100% at the date of disposal, was determined based on the carrying amount of Douugh Labs Pty Ltd's accounts. The Company's share of this fair value, corresponding to the retained interest transferred upon disposal, amounts to \$24,241,640.

For personal use only

**Note 4. Gain on deconsolidation of subsidiary (continued)**

(c) Details of the gain on deconsolidation of subsidiary

	12 February 2024 \$
Fair value of carrying amount in Douough Labs Pty Ltd	24,141,640
Transfer of liabilities to controlled entities	(149,968)
Impairment of receivables from Douough Labs Pty Ltd	(22,783,355)
Gain on deconsolidation before income tax	<u>1,208,317</u>
Income tax	-
Net gain on deconsolidation of subsidiary	<u><u>1,208,317</u></u>

The carrying amounts of assets and liabilities at the date of deconsolidation (12 February 2024) were:

Total Assets	25,802
Total Liabilities	<u>(24,167,442)</u>
Net Liabilities	<u><u>(24,141,640)</u></u>

**Note 5. Current assets – trade and other receivables**

	Consolidated	
	2025	2024
	\$	\$
Trade receivables	418,108	110,627
Other receivables	23,898	40,714
Income tax refund due	<u>744,339</u>	<u>1,002,385</u>
	<u><u>1,186,345</u></u>	<u><u>1,153,726</u></u>

*Allowance for expected credit losses*

Management have assessed that there is no indication of impairment of the consolidated entity's receivables as at 30 June 2025 (30 June 2024: nil).

***Accounting policy for 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.

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.

For personal use only

## Note 6. Contingencies

There were no contingencies as at 30 June 2025 (30 June 2024: none).

## Note 7. Equity – issued capital

	2025 Shares	2024 Shares	Consolidated 2025 \$	2024 \$
Ordinary shares – fully paid	<u>2,075,079,680</u>	<u>1,082,068,920</u>	<u>40,080,035</u>	<u>33,318,843</u>

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	1,082,068,920		33,318,843
Issue of shares in lieu of accrued salaries	9 December 2024	8,600,000	\$0.008	68,800
Issue of shares to directors in lieu of fees	9 December 2024	44,620,000	\$0.005	223,100
Issue of shares for services rendered	11 December 2024	46,967,000	\$0.005	234,835
Issue of shares to vendors of R-DBX (Note 9)	28 December 2024	892,823,760	\$0.007	6,249,766
Share issue cost	31 January 2025	-		(15,309)
Balance	30 June 2025	<u>2,075,079,680</u>		<u>40,080,035</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.

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.

### Capital risk management

The consolidated entity'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 and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of 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, the consolidated entity 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.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year. The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

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.

Note 8. Earnings per share

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Loss after income tax attributable to the owners of Stakk Limited	<u>(2,460,750)</u>	<u>(1,514,240)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,661,325,197</u>	<u>1,065,790,578</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,661,325,197</u>	<u>1,065,790,578</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.15)	(0.14)
Diluted earnings per share	(0.15)	(0.14)

Note 9. Business combination

On 27 September 2024, Stakk Limited (prior to its name change from Douugh Limited) entered into a Share Sale Agreement (the 'Agreement') to acquire 100% of the ordinary shares of Radical DBX, Inc. (R-DBX) through the issuance of 892,823,759 ordinary shares at the price of \$0.007 per share, giving a total upfront consideration of \$6,249,766. In addition, the Company has agreed to issue up 900,000,000 shares subject to achievement of revenue milestones over a 3 year period, this contingent consideration is fair valued at \$6,299,766. The settlement date of the acquisition is 28 December 2024.

R-DBX operates an embedded finance platform powering some of the leading fintechs, banks, and credit unions in the USA. In calendar 2023, R-DBX reported revenues of ~\$1.1M from a suite of established long-term client contracts.

The identification and fair value measurement of the assets and liabilities acquired are provisional and amendments may be made to these figures up to 12 months following the date of acquisition if new information is obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognised as of the date.

Details of the acquisition are as follows:

	Provisional \$
Cash and cash equivalents	6,460
Trade and other receivables	44,889
Customer list	1,506,779
Trade and other payables	<u>(62,392)</u>
Net assets acquired	<u>1,495,736</u>
<i>Provisional purchase price allocation:</i>	
Goodwill	<u>11,053,796</u>
	<u>12,549,532</u>

For personal use only

Note 9. Business combination (continued)

*Representing:*

Stakk Limited shares issued to vendor as purchase consideration	6,249,766
Stakk Limited provisional contingent consideration reserve to vendor as purchase consideration	<u>6,299,766</u>
	12,549,532

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and the fair value of the consideration transferred is recognised as goodwill. If the consideration transferred is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Contemporaneously with the acquisition of the business, the Company entered into a Convertible Loan Deed (CLD) with Relentless Fintech Partners Inc. (Relentless Fintech). Under the CLD, Relentless Fintech made available a facility of USD\$650,000 (~AUD\$1,000,000). The loan will be convertible into SKK shares at Relentless Fintech's election, subject to shareholder approval. The Company's obligations under the CLD are secured by a general security deed over the Company and its assets, and the Company's subsidiaries. As at the balance sheet date, the Loan was drawn to \$258,000.

For personal use only