

Stakk demonstrates rapid revenue growth in Q3, with ARR of \$472k, up 2,533% QoQ

- Stakk has established itself as **a rapidly growing software company offering Embedded Finance** to the broader financial services industry here in Australia, and in the U.S.
- It delivered **quarterly revenue of \$472,000**, representing an **annualised run rate of \$1.9m**
- Today, Stakk is providing its **Embedded Finance services to 25 Banks and Credit Unions, 8 Neo Banks, and 1 Fintech partner**, with more key client wins anticipated in Q4.
- Stakk has **a robust pipeline for additional ARR** to come from additional banking brands, lending brands, and Fintech partners. This growth will be complimented by certain strategic software licensing deals designed to monetise legacy capabilities.
- In the U.S. alone, the **Embedded Finance market is worth \$47b**, with a compounded annual growth rate (CAGR) of 32%, as businesses seek to build more engagement with their customers to reduce churn and increase revenue.

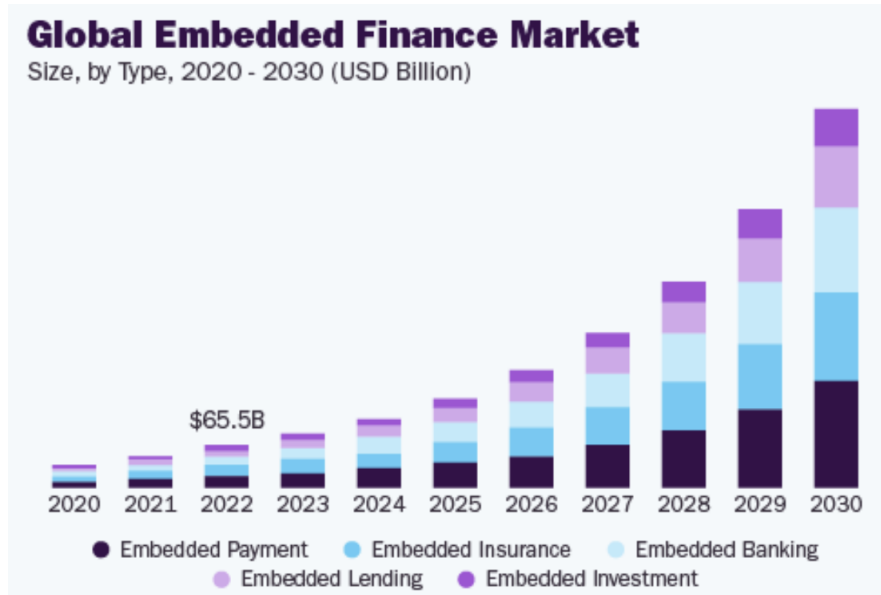
Sydney, 30 April 2025 - **Stakk Ltd (ASX:SKK)** is delighted to provide an update to its shareholders following the release of its quarterly results.

As shareholders are aware, Stakk concluded the acquisition of U.S. based Radical DBX, Inc. ("R-DBX") on 28 December 2024. As previously advised, the R-DBX business has been successfully integrated with Stakk's operations and now allows Stakk to aggressively expand its Embedded Finance offering into the U.S. market.

Information on the Embedded Finance market

The Embedded Finance market is experiencing significant growth in both the United States and Australia.

The current size of the U.S. Embedded Finance market in February 2025 is approximately USD 25.94 billion with a compound annual growth rate (CAGR) of 32%. Projected Size by 2030 lies between USD 103.86 billion (conservative) and USD 300 billion (aggressive), with USD 103.86 billion being the most consistently cited revenue figure from detailed forecasting. It is estimated that the current size of the Australian market is 7% of that of the U.S (Grand View Research).



Stakk plans to take a percentage of this market by distributing its Embedded Finance offering through existing (and new) channel partners in the U.S and Australia.

Andy Taylor, Chief Executive Officer of Stakk, said:

*"We are pleased to update shareholders on our traction, following the closure of the R-DBX acquisition and continuing roll out of our Embedded Finance offering in Q3. With pedigree clients like **Navy Federal Credit Union**, the largest credit union in the U.S. today, to smaller banks like **Whitaker Bank**, we have solutions for all sizes. But with Neobank clients like **Aspiration, Lili Banking, and Albert**, we're delighted to see our solutions used by the brightest and most innovative players in the industry too.*

As we focus on the continued growth of our ARR (Annual Recurring revenue) from new client wins, we intend to expand our capabilities to meet the emerging technological needs in the commercial lending section. In essence, this is a sub-set of Embedded Finance, known as 'Embedded Lending'. These capabilities will be delivered to lenders, brands, and Fintech's.

Feeling buoyed by the obvious inflection point Stakk finds itself at, we look forward to updating the market on further milestones as they are achieved, including anticipated client wins, and renewals."



Business activities

The Company finished the quarter with \$362k cash at bank. While this was a small reduction on the prior quarter cash balance (Previous Qtr (Q2): \$420k), the Company's activities remain well supported by available financing facilities to the value of up to \$1.28M.

The Company collected \$472k (Q2: \$18k) in cash receipts for the quarter. This result reflects the first full quarter of operations including the acquired R-DBX entity.

Business activities expenditure totalled \$624k for the quarter (Q2: \$330k) consisting of research and development \$155k (Q2: \$202k), operating costs \$253k (Q2: \$64k) with the balance to administration \$125k (Q2: \$29k) and staff costs \$91k (Q2: \$22k). The increase in operating costs reflects the operations of the new entity. R&D programs are materially complete. Advertising and marketing continues to largely rely on internal efforts and owned channels. Administration costs were higher due to one-off integration and other costs related to the finalisation of the R-DBX transaction.

The aggregate amount of payments to related parties and their associates included in Q4 Cash flows from operating activities totalled ~\$35k. These payments consisted of Directors' fees and superannuation. All payments were on normal commercial terms.

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

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About Stakk

[Stakk](#) is an award winning fintech company, on a mission to power businesses to better serve their customers through Embedded Finance.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

STAKK LIMITED

ABN

41 108 042 593

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	472	535
1.2 Payments for		
(a) research and development	(155)	(509)
(b) product manufacturing and operating costs	(253)	(340)
(c) advertising and marketing	-	(40)
(d) leased assets		-
(e) staff costs	(91)	(131)
(f) administration and corporate costs	(125)	(218)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,002
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(148)	312
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	(94)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash from acquired subsidiary)	-	6
2.6	Net cash from / (used in) investing activities	-	(87)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(10)	(15)
3.5	Proceeds from borrowings	102	679
3.6	Repayment of borrowings	(6)	(653)
3.7	Transaction costs related to loans and borrowings	(11)	(38)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	75	(27)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	429	158
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(148)	312
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(87)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	75	(27)
4.5	Effect of movement in exchange rates on cash held	6	6
4.6	Cash and cash equivalents at end of period	362	362

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	362	429
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	362	429

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

35

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	1,383	102
7.4 Total financing facilities	1,383	102

7.5 **Unused financing facilities available at quarter end** 1,281

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

On 28 March 2022, the Company announced that it had entered into an equity placement funding facility with an investment fund (the Funder). The facility is immediately available to be accessed utilising 35M shares issued to the Funder and was undrawn at 31 March 2025.

On 27 September 2024, the Company announced that it had entered into an agreement to acquire Radical DBX Inc. As part of this transaction, the Company would gain access to a convertible note facility to the value of USD\$650,000 (\$1,032,894 at reporting date). On 30 December 2024, the Company announced completion of the transaction and that the convertible note facility was now available for the Company to draw down. As at the 31 March 2025, the facility was drawn to ~\$102,000.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(148)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	362
8.3 Unused finance facilities available at quarter end (Item 7.5)	1,281
8.4 Total available funding (Item 8.2 + Item 8.3)	1,643
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	11.1

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 April 2025

Date:

By the Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.