



Butn Limited

ACN 644 182 883

www.butn.co

ASX Code: BTN

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ASX ANNOUNCEMENT

FY21 Financial Report and Appendix 4E: A year of achievement, set up for growth in FY22

Highlights

- Strong financial position as at 30 June 2021
 - Continued origination growth to \$207 million, up 25% on PcP
 - Cash on hand of \$15.5 million, up 56% on PcP (prior to IPO)
 - Strong balance sheet, well positioned for growth
- Funding success
 - \$7.5 million Pre IPO in November 2020
 - \$5.0 million MYOB Australia (MYOB) strategic investment in January 2021
 - Post year end \$20 million IPO (before costs) with strong institutional participation reflected in a supportive share register
- Delivery of product and strategic partnerships
 - Butn Fintech tool launched in December 2020
 - MYOB multi-year strategic partnership to provide embedded invoice finance to their user base
 - Growing pipeline of platform partners
- Building the Butn team
- Growth outlook for FY22

Butn Limited (Butn or Group) is pleased to release its 30 June 2021 (FY21) Financial Report and Appendix 4E, which together with a successful IPO and ASX listing on the 6th July 2021 positions the Group for growth.

FY21 was a transformational year with the overall objective of building Butn's growth platform and support base to deliver accelerated growth in FY22 and beyond.

The Group reported a 25% increase in originations for FY21 of \$207 million (FY20: \$166 million), up 25% on the prior comparable period (PcP).

Revenue of \$4.6 million was in line with the prior year, reflecting the impact of covid-19 on higher margin segments and increased price competition in the market as businesses continue to navigate through the pandemic.

Butn recorded a statutory loss after tax of \$5.3 million (FY20: loss of \$0.4 million). This included \$1 million (non-cash) share based payments expense associated with the granting of IPO related options, \$0.8 million fair value adjustments (non-cash) on the Pre IPO convertible notes' embedded derivative which converted to equity on IPO, increased employment and other costs as part of increasing the base infrastructure and staff resources to service future growth.

Cash on hand increased to \$15.5 million (FY20: \$9.9 million), up 56% on PcP with a strong balance sheet providing Butn with the financial flexibility to pursue growth opportunities. This was further supplemented post year end by the \$20 million IPO (before costs).

In November 2020, Butn successfully raised \$7.5 million in a pre-IPO Convertible Note issue to institutional and sophisticated investors to further support Butn's operations, originations, distribution and receivables book growth. In January 2021, MYOB Australia entered into a strategic multi-year partnership (described below) and concurrently through a related body corporate, invested \$5.0 million on the same terms as the pre-IPO Convertible Note issue.

After the year end, Butn successfully completed its ASX IPO on the 6th July 2021. Butn raised \$20 million (before costs), with strong institutional participation resulting in a supportive share register. The majority of funds raised are to be used in growth orientated initiatives investing in Butn's core business model, growing its receivables book, accessing new markets and continued product development.

Discussions on Butn's debt structure, in terms of lowering funding costs and increasing available headroom are progressing positively.

The financial year saw continued growth in transactional funding to small and medium enterprises. This was supplemented by the launch of Butn's FinTech Solution in December 2020. The FinTech Solution allows for mass origination, distribution and rapid scaling of Butn's products to businesses in known, trusted environments where they are transacting.

In January 2021, MYOB Australia entered into a strategic partnership to deploy Butn X, one of Butn's transactional funding products for business invoice financing, to MYOB Australia's business user base. This product customisation is complete and recently went live, as announced on the 23rd August 2021.

The Group continues to progress strategic opportunities to expand its offering and is in discussions with a growing pipeline of platform partners to be announced through FY22.

During the financial year Butn continued building and developing its team, including appointing a highly credentialled Board of Directors, expanding the executive leadership team, and growing the operational and technology squads with the aim of supporting growth that delivers operating leverage as the business scales.

FY21 saw the key building blocks across product, people, strategic partnerships and financial position put in place.

Butn expects material origination and revenue growth in FY22, particularly as Butn's platform partners systematically and progressively roll out Butn funding products to their users.

Macro conditions remain uncertain, particularly due to the impacts of COVID-19. While Butn's non-recoverable write offs remain at industry low levels, Butn remains conservative with funds deployment, maintaining its strict credit and risk processes. In addition, restrictions may impact on the speed the company can develop new business and new markets.

Butn's priority remains building a high growth, sustainable business based on its innovative funding approach, leading technology and strategic partnerships.

Butn's Co-founder and Co-CEO, Rael Ross said "FY21 was a milestone year for Butn, culminating in our successful IPO on the 6th July 2021. The Board, together with our shareholders, strategic partners and staff look forward to the exciting opportunities in FY22 and beyond"

Authorised by

Rael Ross, Co-CEO and Executive Director of Butn Limited

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About Butn

Butn Limited is an Australian Business-to-Business ('B2B') funder innovating the way SMEs fund and grow their businesses. Butn focuses on transactional funding – funding SME businesses through their working capital constraints by financing individual transactions, leveraging the end debtor's credit. With a vision of "Your money, today" Butn delivers cashflow funding solutions at the click of a Butn having funded over \$700 million to Australian businesses since 2015. For more information visit www.butn.co