



**Butn Limited**

ACN 644 182 883

[www.butn.co](http://www.butn.co)

ASX: BTN

Melbourne, 11 November 2021

**ASX ANNOUNCEMENT**

## **Annual General Meeting – Chair and CEO Addresses**

Butn Limited (ASX: BTN; Butn) provides the Chair and Co-CEO addresses to be presented at the Annual General Meeting 4:00pm AEDT Thursday 11 November 2021.

*This announcement has been authorised for release 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. For more information visit [www.butn.co](http://www.butn.co)

**2021 ANNUAL GENERAL MEETING  
THURSDAY, 11 NOVEMBER 2021**

**CHAIR'S ADDRESS**

The last financial year was a very busy one for Butn. It was transformational with the overall objective of building Butn's growth platform and support base to deliver accelerated growth in 2022 and beyond. Financially, the year was characterized by continued momentum and strong demand from transactional funding to small and medium enterprises with originations growing to \$207 million, up 25% on the prior year. This demonstrates the resilience of small and medium enterprises despite ongoing lockdowns. Revenue of \$4.6 million was in line with the prior year, reflecting the challenging impacts of Covid-19 on higher margin segments and increased price competition as businesses navigated their way through the pandemic.

Butn recorded a statutory loss after tax of \$5.3 million as a result of restructuring, increased employment and other costs as part of increasing the base infrastructure and staff resources to service forecast future growth.

The company appointed a Board of Directors in September 2020. At the end of the financial year, Butn's Board was comprised of five Directors including three independent non-executive directors as well as the Co-CEOs founders and executive directors, Rael Ross and Walter Rapoport. On September 1st, 2021 we also welcomed Helen Lea, MYOB's representative director, to the Board.

During the year, the Board created a governance framework designed to promote responsible management and conduct. In addition, Butn expanded its executive leadership team, operational and technology staff to support future growth.

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. Further to this, in January 2021, we were pleased that MYOB Australia made a strategic investment of \$5 million and entered into a strategic partnership agreeing to provide Butn X, one of Butn's transactional funding products for business invoice factoring, for deployment to MYOB's business user base.

In December 2020, Butn launched its FinTech Solution allowing for mass distribution and rapid scaling of Butn's products to businesses in known, trusted environments where they are transacting, whilst maintaining a people light business model.

The company achieved a successful ASX listing on July 6th, 2021 strongly positioning it for future growth raising \$20 million (pre costs) with strong institutional support. We now have a strong balance sheet that is well primed for growth.

Butn is a strong and growing business, who throughout the last financial year established the foundations to continue our commitment to small to medium enterprises. Our priority continues to be

to build a high growth, people light sustainable business drawing on our innovative approach, leading technology and strategic partnerships.

I would like to take this opportunity to thank our partners and funders for their ongoing support and for sharing our vision.

I would also like to thank and congratulate our Co-CEOs, founders and Executive Directors, Rael Ross and Walter Rapoport, without whose vision none of this would be possible. Their commitment to the company together with Butn's management and staff have positioned us for sustained growth in the future.

I would also like to thank my fellow Independent Directors, Mike Hirst, Georg Chmiel and Helen Lea for their guidance, contribution and collaboration throughout the year.

Importantly, we thank our shareholders for their support and for sharing the vision of Butn on its journey so far.

## **Co-CEO'S ADDRESS**

We're delighted to address this Annual General Meeting of Butn Limited, notwithstanding that we're having to meet with you in this virtual environment. Thank you for taking the time to attend. We're excited at the demonstrable growth of the past year and of those prospects that lie before us.

## **Our Business**

Our value proposition is to assist businesses with our suite of B2B funding products, and work with them through the tribulations of their cash flows, be it BNPL when the need to purchase inputs to grow their business arises, offering advances on impending commissions, the option to take payment terms offered and more.

Our customers are indeed developing new habits at the click of a Butn and simultaneously solving their daily cash flow challenges. Our platform partners, through whom we originate, each have large distribution networks and it is this business cohort who are becoming regular Butn end users.

## **Our Technology**

We've built a seamless user experience and automated workflow, which provides our Platform Partners' customers with a streamlined onboarding process with a built-in credit / risk matrix and a suite of cutting-edge funding solutions. We work closely with each of our partners to ensure that we meet their needs and deliver a bespoke fintech solution attentive to their distinctive expectations. Our tech team has a dynamic, high-performance culture with exceptional experience in technology and innovation with core expertise including fintech architecture, data science, and cyber security. We continue to invest in our people to ensure we remain ahead of the curve and that our innovations are sensible and dependable.

## **The Post Pandemic Economy**

We see the economy rebounding reasonably quickly post the recent lockdown periods. As the economy rebounds, we anticipate a fillip to our growth as we begin to service the ever-increasing funding needs of our customers.

## **Our Personnel**

As highlighted in our Chair's address, we acknowledge Team Butn and the passion and dedication each member brings to his or her role. This business is succeeding, in no small measure, to the team we've built and are continuing to build. Be it, in the realm of finance, of operations, of tech, of revenue origination, of marketing – we know this company is in good hands.

Needless to mention, lockdowns have made corporate life for many businesses somewhat compromised, but we can attest that Team Butn has overcome all the hindrances associated with constant Zooms and fewer real-life meetings. We all look forward to closer connections as we move into 2022.

## **Our Growth Strategy**

We see the 2020-21 Financial Year as one in which Butn has reinforced its position as a leading platform funder with a full suite of B2B funding products integrated within industry leading partners. Butn continues to accelerate with our initial partnerships implemented, progress with other relationships which are currently works-in-progress and cultivate the growing pipeline of prospective new partnerships as they materialise.

Butn is poised to grow significantly.

We continue to expand our reach into the broader SME sector, a market segment seen to be moving away from traditional sources of funding, such as banks, credit cards, personal loans, mortgages. This movement away from these long-established forms of finance to newly transformational forms, such as those offered by Butn, augers well for us.

By partnering with originators such as marketplaces, online retailers catering to the B2B market, aggregators, and particularly with our strategic partnership with MYOB and its user base, our potential to scale is wide reaching and our addressable pool of end users is growing.

Our integration with Agentbox, one of Australia's leading real estate customer relationship management systems (CRMs), is anticipated to garner a strong demand from agents requesting early access to their commissions for a fixed fee.

Furthering our access to, and reach into, the real estate ecosphere, our Butn Pay product has now been integrated within Ready Media's platform creating a Buy-Now-Pay-Later (BNPL) solution for vendors of commercial property, where we offer to fund the cost of a sales marketing campaign, for a fixed duration fee, payable at property settlement.

With our recently secured Ola partnership we have attracted a larger pool of smash repairers throughout the country – we have a strong familiarity and experience with the automotive sector, stretching back to origins of the business.

The growing pipeline of potential integration partnerships gives us confidence that we'll be growing our originations and in turn generating a stronger stream of revenue.

In conclusion, we offer our sincere thanks to our Chairman and to our Non-Executive Directors for their acuity, and their support when working with us to produce optimal outcomes for this company.

To our shareholders, we thank you for your continued support as we build Butn towards our ultimate vision as the leading B2B platform funder, reaping the rewards along the way, and as Executive Directors of Butn, we undertake to continue to work diligently to deliver this outcome.