



Butn Limited

ACN 644 182 883

www.butn.co

ASX: BTN

Melbourne, 29/04/22

ASX ANNOUNCEMENT

Butn records strong platform growth

Quarterly Activities Report for the three months ended 31 March 2022 (Q3 FY22)

Key Q3 FY22 highlights

- Quarterly originations of \$61.5 million, up 21% on the previous corresponding period (pcp)
- Revenues of \$1.2 million up 12% on pcp
- Strong platform growth:
 - Strong month-on-month origination platform growth
 - MYSALE partnership establishing Butn's position in online retail marketplaces
 - Freightlancer partnership, expanding Butn's reach in the freight marketplace sector
- Strong financial position with \$19.8 million cash and positive debt structuring underway

Butn Limited (ASX: BTN; Butn) provides this quarterly activities report for the three months ended 31 March 2022 (Q3 FY22), along with the Company's Appendix 4C cash flow report.

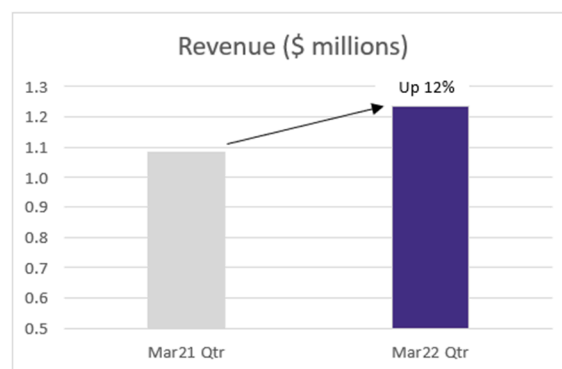
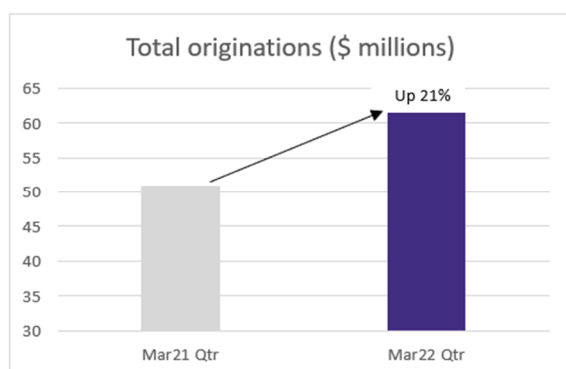
Commenting on Q3 FY22, Butn's Co-founder and Co-CEO, Rael Ross said:

"This quarter demonstrates our competitive advantage as a fintech providing fully integrated, platform driven customer on-boarding, credit and risk assessment, funding and collections. Our ability to transform previously slow and manual processes into simple, fast and automated ones is gaining strong momentum. By seamlessly integrating into third-party digital platforms, we can distribute our funding products to business users in their known, trusted environments where they are transacting frequently."

"Despite COVID related disruptions in January and February, the third quarter of FY22 was our busiest March quarter, delivering growing originations and positive platform metrics. We continue to diversify our partnership base, bringing on MYSALE and Freightlancer, expanding our position in the online retail and freight marketplace sectors respectively.

"We remain focussed on executing our high-growth business based on our proven automated funding process and innovative technology, with strategic partnerships across a range of sectors."

Quarterly originations of \$61.5 million, up 21% on pcg



Key metrics	Quarter ending 31 Mar 2022	Quarter ending 31 Mar 2021	Movement
Total originations (\$ millions)	61.5	50.8	Up 21%
Net revenue (\$ millions)	1.2	1.1	Up 12%

*Rounding may occur. All figures unaudited.

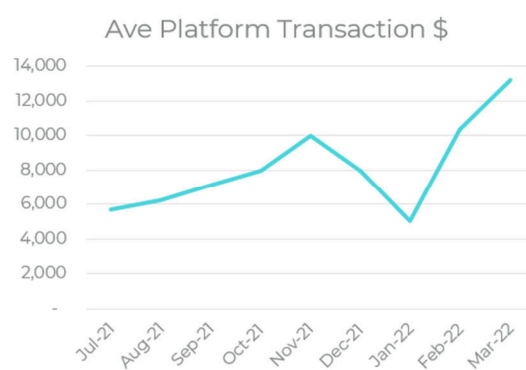
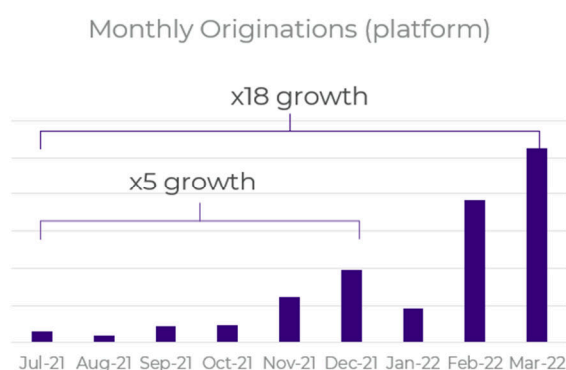
Butn continued to grow originations in Q3 FY22 to \$61.5 million, up 21% on the pcg.

Seasonally Q3 is a quieter quarter for Butn, which in this quarter was combined with COVID-19 Omicron variant impacts in January and February and related supply chain delays. Despite this, the Company experienced continued growth including a strong March which saw monthly originations of \$24.9 million, up 34% on the pcg.

Butn maintained its industry low non-recoverable write-offs of under 0.1% of originations, with the receivables book growing approximately 42% on the pcg.

Net revenue was \$1.2 million, up 12% on the pcg.

Platform growth from strategic partnerships





Platform metrics have been positive over the past nine months of FY22.

This includes strong month-on-month origination growth (March 2022 monthly platform originations were up approximately 18-times those of July 2021), with platform origination growth a consistent and growing component of Butn's overall originations.

In addition, the average platform transaction value continued to increase, reaching approximately \$13,000 in March 2022. New registrations, number of transactions per client per month and strong revenue margin, all indicate substantial future growth from this distribution channel.

During the quarter Butn continued to establish key strategic platform partnerships including:

Partner	Details
 leading retail marketplace	<p>In February 2022, Butn entered the online retail marketplace via a strategic partnership with leading international retailer MYSALE PLC (LON: MYSL). MYSALE operates a group of retail ecommerce websites sites in Australia, New Zealand and South-East Asia. These websites are underpinned by its proprietary marketplace technology that last financial year (FY21) had a Gross Merchandise Value (GMV) of \$125 million. Butn provides MYSALE and its 1000+ suppliers with Butn products and quicker payment options.</p> <p><i>(Refer ASX announcement of 21 February 2022)</i></p>
	<p>In January 2022, Butn entered a partnership with Australia's largest freight marketplace Freightlancer, expanding its position in the freight marketplace and management sector. Freightlancer is a subsidiary of the world's largest freelancing and crowdsourcing marketplace, Freelancer (ASX: FLN; OTCQX: FLNCF). Butn provides Freightlancer with a customised solution (Butn Terms) which combines features across the Butn product range, providing Freightlancer customers with payment terms, assisting in their cashflow needs.</p> <p><i>(Refer ASX announcement of 24 January 2022)</i></p>

Strong financial position, with positive debt structuring underway

Cash on hand was \$19.8 million, providing Butn with the continued financial flexibility to pursue growth opportunities.

Post quarter end, Butn commenced a process with its 2019-1 bond Noteholders seeking to amend terms with Class A and Class B Noteholders effective as at the early call redemption date of 1 July 2022. The proposed amendments seek to: extend the maturity date, with various early call dates; reduce the interest rate; and amend eligibility criteria reflecting continued business progress.

Butn continues to positively restructure its debt with the core aims of reducing funding costs, increasing headroom and extending funding flexibility for rapid growth.

Summary of Q3 FY22 cashflows

Butn generated cash receipts from customers of \$1.2 million, reflecting continued origination growth in the quarter compared with the pcq.

Operating cash outflows were down on the previous quarter, with material outflows including staff costs of \$0.9 million (including \$0.2 million of salary and fees paid to directors and the Co-CEOs), administration and corporate costs of \$0.9 million and interest costs of \$0.8 million. During the quarter, Butn received \$1.2 million from its research and development (R&D) tax incentive claim.

Investing cash flows included \$0.2 million for Butn fintech development and \$3.0 million in growing the receivables book.

There were no financing cash flows in the quarter.

The use of IPO funds to 31 March 2022, compared with the Prospectus is as follows:

	Prospectus	Expenditure to 31 Mar 2022
Use of IPO funds*	\$ millions	\$ millions
Receivables book growth from IPO funds	9.0	5.9
Platform and product development	2.5	2.4
Cash expenses associated with the IPO	2.3	2.3
Repayment of Related Party Loans	3.8	3.8
Marketing, sales and brand development	2.4	0.1
	20.0	14.5

*Rounding may occur. Further details in the Appendix 4C

- ENDS -

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