



Butn Limited

ACN 644 182 883

www.butn.co

ASX Code: BTN

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ASX ANNOUNCEMENT

Strong FY23 financial performance with record originations, record revenues and stable costs, delivering positive EBITDA

Key FY23 Highlights

- **Record originations:**
 - FY23 originations of \$441 million (FY22: \$274 million) up 61% on the previous corresponding period (pcp)
 - Q4FY23 another record origination quarter of over \$117 million, including May 2023's monthly record of \$45 million demonstrating continued growth momentum
- **Record revenue:**
 - FY23 revenue was \$11.9 million (FY22: \$5.4 million) up 120% on the pcp
 - FY23 revenue margin 2.7% (FY22: 2.0%) up 37% on pcp
- **Record platform growth:**
 - Record FY23 origination and revenue from Butn's platform distribution channel, approximately 3.5 times FY22
 - Butn platform now accounts for over 25% of total monthly originations (FY22: 11%), with continued growth in new registrations and transaction activity
 - The MYOB | Butn partnership won Fintech Australia's "2023 Excellence in Industry Collaboration & Partnerships" award
- **Maintained industry-low non-recoverable write-offs of approximately 0.1% of originations**
- **Strong financial results**
 - FY23 positive EBITDA \$1.2 million (FY22: loss \$3.8 million)
 - FY23 operating cash outflow of \$0.7 million (FY22: cash outflow \$3.9 million)
 - FY23 loss after tax \$6.5 million (FY22: loss \$8.7 million)
- **Strong financial position:**
 - Over \$23 million of additional debt funding secured, increasing annual origination capacity to nearly \$500 million
 - \$3.8 million of equity raised supporting continued growth
 - Closing FY23 cash of \$14.6 million

Butn Limited (ASX: BTN; Butn or Group) is pleased to release its Financial Report and Appendix 4E for the financial year (FY) ended 30 June 2023 (FY23).

Butn's Co-founder and Co-CEO, Rael Ross said: "Butn has had a remarkable year, with all-time records for both originations and revenues. Revenue more than doubled, increasing by 120% and we reported record annual originations, up 61% on the previous financial year. The Butn platform continues to rapidly grow its contribution, now accounting for over 25% of monthly originations as we scale with our strategic partners. This reflects SMEs need for our fast, secure and reliable funding at the click of a Butn. Pleasingly, despite the rapid top line growth and in the face of challenging macro-economic conditions, both our industry low non-recoverable write-offs and operating base has remained relatively flat, delivering a strong return to positive EBITDA in FY23. We have successfully completed multiple debt and equity transactions through the year, demonstrating continued investor support for our business model, the strategic partnerships we have, and the strong financial performance delivered in FY23."

Record originations

During FY23, Butn delivered record originations of \$441 million (FY22: \$274 million), up 61% on the pcp. This included a record Q4FY23 quarterly record of \$117 million with May's monthly originations over \$45 million, underlining the growing momentum in the business.

Record revenue

Butn delivered record revenue of 11.9 million (FY22: 5.4 million), up 120% on the pcp.

Revenue margins increased to 2.7% in FY23 (FY22: 2.0%). The 37% improvement in revenue margin reflects improved industry mix, an increasing contribution from the platform channel at higher margins and pass through of some pricing adjustments.

Pleasingly the rapid growth has been achieved whilst maintaining industry-low non-recoverable write-offs of approximately 0.1% of originations.

Record platform growth

Butn's platform originations exceeded \$107 million, up over 3.5 times the previous financial year. The platform business continues to rapidly grow its share of originations and revenue, by scaling with our strategic partners through a mass distribution strategy. Platform originations now account for approximately 25% of total FY23 originations (FY22: 11%) and a higher proportion of revenue reflecting its higher revenue margin. The year also saw increased user registrations and transactions, reinforcing the significant benefits and growing utilisation of Butn's embedded funding technology across its strategic partnerships. This was recognised with the MYOB | Butn partnership announced as winner of Fintech Australia's "2023 Excellence in Industry Collaboration & Partnerships" award.

Strong financial results and position

Butn's record FY23 revenue, combined with tight cost control and a relatively stable operating base, delivered a strong return to positive EBITDA of \$1.2 million (FY22: EBITDA loss of 3.8 million) and an improved statutory loss after tax of \$6.5 million (FY22: loss of \$8.7 million).

This in turn has driven improved operating cash flows, with FY23 net operating cash outflow of \$0.7 million significantly below FY22's \$3.8 million net cash outflow.

During the financial year, Butn secured over \$23 million of additional debt which based on Butn's fast turning receivables book provides for nearly \$500 million of annual origination capacity.

In addition, Butn issued approximately \$3.8 million of equity via institutional placements and through the conversion of director related debt, with the equity proceeds to be used for working capital purposes and to support continued business growth.

Cash as at 30 June 2023 was \$14.6 million, providing financial flexibility and support for continued growth.

Outlook for FY24

FY23 was a period of record growth across all key metrics, leveraging a relatively stable operating base with increased contribution from the platform business highlighting the growing demand for Butn's suite of product offerings. This was made possible by our leading technology, mass distribution strategy, award-winning strategic partnerships and our dedicated Butn team.

Higher interest rates and a challenging macro environment increases the need and appetite for Butn's product offering, positioning Butn for continued growth through FY24.

Butn's Co-founder and Co-CEO, Rael Ross said: "We look forward to continuing our growth trajectory in FY24, leveraging off the foundation of our strong strategic partnerships, technology and people. While we anticipate the challenging macro environment conditions to continue into FY24, Butn remains well placed to continue assisting SME's with their funding needs, delivering growth and value in the future."

This announcement has been authorised for release by the Board of Directors of Butn Limited.

Further information please contact:

Investors

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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 \$1 billion to Australian businesses. For more information visit www.butn.co