

Butn Limited

ABN 42 644 182 883

Half-year report - 31 December 2024

Butn Limited
Directors' report
31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of Butn Limited (referred to hereafter as the 'company', 'Butn' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of Butn Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Cameron Petricevic – Independent and Non-Executive Chair
Rael Ross – Executive Director and Interim Chair
Walter Rapoport – Executive Director

Principal activities

Butn Limited provides transactional funding to small and medium enterprises. This includes factoring, supply chain finance and commission advancement across a wide range of industries. In addition, the Group has developed a fintech solution to extend its funding approach and provide embedded finance opportunities through third party platforms.

Review of operations

The half-year saw record growth in transactional funding to small and medium enterprises (SMEs), with key financial metrics trending positively for the six months ending 31 December 2024 (1H25) compared with the previous corresponding period (pcp) (1H24):

Key financial metrics	1H25	1H24	Change from 1H24
Revenue (\$ millions)	7.1	6.8	Up 5%
Revenue margin (%)	3.0%	2.7%	Up 11%
EBITDA (\$ millions)	4.3	1.4	Up 209%
Cash generated / (used in) operating activities (\$ millions)	0.6	(1.9)	Up 132%
Profit / (Loss) before tax (\$ millions)	0.2	(3.1)	Up 107%
Profit / (Loss) after tax (\$ millions)	0.2	(3.2)	Up 106%

Butn's momentum has continued in the past six months, evidenced by record half year revenue of \$7.1 million, up 5% on the pcp. This included a record quarterly revenue for Q2 FY25 of \$3.6 million.

Revenue margins have increased following successful repricing with customers as well as the rising contribution of higher margin platform originations, now comprising over 35% of total monthly originations.

Butn's platform distribution channel has continued to grow, with record originations of \$82.3 million in 1H25, highlighting the growing diversity of our strategic partners and the adoption of our product offering by the SME community. 1H25 also saw record user transactions, including notable levels of user engagement and new user registration numbers, reinforcing the significant benefits which Butn's embedded funding technology has attained across its strategic partnerships.

Butn's recent business optimisation initiative saw a significant reduction in operating costs relative to the pcp. Together with the record revenue achieved, Butn recorded an improved positive EBITDA result in 1H25, up more than triple on the pcp, also benefitting from the strategic operating leverage in the business model.

Overall, Butn recorded its first half year profit (\$0.2 million), a watershed milestone for the Company. The Company does not expect to pay tax for some time given the substantial tax losses on the balance sheet. Additionally, Butn has now

consistently recorded a positive operating cash flow for each of the last three quarters to Q2 FY25.

In October 2024, Butn announced a Retail Private Credit Fund. The Fund will finance Asset Backed Lending opportunities, including those originated by Butn, and it will consist of multiple classes. The Fund will be spread across various asset classes including but not limited to Invoice Finance, Trade Finance, Asset Finance and Property Finance. A wholly owned subsidiary of Butn will operate the Fund and it will receive all management fees from the Fund (less expenses).

With Butn's unique and innovative digital "Originate to Distribute" model, funds raised via traditional and digital means will be automatically applied to lending opportunities through Butn's current and future distribution channels including its strategic partnership with MYOB. This digital 'end to end' model will allow Butn to control its cost of funds and lending capacity whilst also growing another revenue stream for Butn in the retail funds management space (with management fees and upside carry), leveraging strategic shareholders and investors.

Butn's management have taken active steps to explore further growth opportunities during 1H25 and the Group reviewed multiple merger and acquisition opportunities throughout the period too. In December 2024, Butn announced an agreement with APX Lending, a North American market leader, to enter the APAC Crypto-Backed Lending Market and to explore mutual opportunities to APX Lending's North American business. Butn will implement its unique and innovative digital "Originate to Distribute" model to provide secured lending services for selected crypto assets.

Matters subsequent to the end of the financial half-year

Other than those disclosed in the financial statements, no matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Rael Ross
Director



Cameron Petricevic
Director

Date: 18 February 2025

BUTN LIMITED
ABN 42 644 182 883

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE MEMBERS OF BUTN LIMITED**

As lead auditor for the review of Butn Limited and Controlled Entities for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Anh (Steven) Nguyen
Director

Date: 19 February 2025

Hall Chadwick Melbourne
Level 14 440 Collins Street
Melbourne VIC 3000

Butn Limited
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31 December 2024

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General information

The financial statements cover Butn Limited as a consolidated entity consisting of Butn Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Butn Limited's functional and presentation currency.

Butn Limited is a company limited by shares, incorporated and domiciled in Australia.

Butn Limited's registered office and principal place of business are:

Registered office

Level 25
525 Collins Street
MELBOURNE
VIC 3000

Principal place of business

229 Balaclava Road
CAULFIELD NORTH
VIC 3161

Butn Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$	\$
Revenue	3	7,101,558	6,778,629
Other income	4	4,115	351,515
Interest revenue		199,567	151,206
Expenses			
Employee benefits expenses		(1,434,498)	(2,364,345)
Consulting and IT related fees		(851,200)	(1,218,821)
Other expenses	5	(456,562)	(1,948,744)
Occupancy		(39,968)	(87,644)
Depreciation and amortisation expense	5	(125,039)	(621,233)
Share-based payments expense		(48,544)	(125,616)
Finance costs	5	(4,135,889)	(4,012,787)
Profit/(Loss) before income tax expense		213,540	(3,097,840)
Income tax (expense) / benefit		(8,395)	(75,516)
Loss after income tax expense for the half-year attributable to the owners of Butn Limited		205,145	(3,173,356)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Butn Limited		<u>205,145</u>	<u>(3,173,356)</u>
Basic profit/(loss) per share	15	0.01	(0.02)
Diluted profit/(loss) per share	15	0.01	(0.02)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Butn Limited
Statement of financial position
As at 31 December 2024

		Consolidated	
	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	16,926,967	13,359,931
Trade and other receivables	7	72,755,652	75,272,094
Other		206,725	210,433
Total current assets		<u>89,889,344</u>	<u>88,842,458</u>
Non-current assets			
Intangibles	8	1,249,590	1,061,400
Deferred tax		1,358,255	1,361,935
Total non-current assets		<u>2,607,845</u>	<u>2,423,335</u>
Total assets		<u>92,497,189</u>	<u>91,265,793</u>
Liabilities			
Current liabilities			
Trade, accruals and other payables	9	2,035,213	1,944,904
Borrowings	10	69,301,289	68,546,148
Income tax		4,777	-
Employee benefits		795,644	733,908
Deferred revenue		718,536	720,114
Total current liabilities		<u>72,855,459</u>	<u>71,945,074</u>
Non-current liabilities			
Borrowings	11	11,230,026	11,181,462
Employee benefits		51,993	33,235
Total non-current liabilities		<u>11,282,019</u>	<u>11,214,697</u>
Total liabilities		<u>84,137,478</u>	<u>83,159,771</u>
Net assets		<u>8,359,711</u>	<u>8,106,022</u>
Equity			
Issued capital	12	39,767,239	39,767,239
Reserves		1,530,461	1,481,917
Accumulated losses		(32,937,989)	(33,143,134)
Total equity		<u>8,359,711</u>	<u>8,106,022</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Butn Limited
Statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital \$	Capital restructure reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	39,767,239	(548,149)	2,030,066	(33,143,134)	8,106,022
Profit/(Loss) after income tax benefit for the half-year	-	-	-	205,145	205,145
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	205,145	205,145
Share-based payments expense	-	-	48,544	-	48,544
Balance at 31 December 2024	<u>39,767,239</u>	<u>(548,149)</u>	<u>2,078,610</u>	<u>(32,937,989)</u>	<u>8,359,711</u>
Consolidated	Issued capital \$	Capital restructure reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	35,123,478	(548,149)	1,874,027	(20,811,788)	15,637,568
(Loss) after income tax benefit for the half-year	-	-	-	(3,173,356)	(3,173,356)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(3,173,356)	(3,173,356)
Share-based payments expense	-	-	125,616	-	125,616
Balance at 31 December 2023	<u>35,123,478</u>	<u>(548,149)</u>	<u>1,999,643</u>	<u>(23,985,144)</u>	<u>12,589,828</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Butn Limited
Statement of cash flows
For the half-year ended 31 December 2024

	Consolidated	
Note	31 Dec 2024	31 Dec 2023
	\$	\$
Cash flows from operating activities		
Receipts from clients	7,104,095	6,547,440
Payment to suppliers and employees	(3,515,398)	(6,027,176)
Interest received	199,567	149,309
Interest paid	(3,336,612)	(2,899,383)
Taxes refunded	100,120	360,409
	<u>551,772</u>	<u>(1,869,401)</u>
Cash flows from investing activities		
Proceeds from receivables	216,386,922	215,949,805
Payments for receivables	(213,075,807)	(221,712,553)
Payments for intangibles	(321,174)	(381,572)
	<u>2,989,941</u>	<u>(6,144,320)</u>
Cash flows from financing activities		
Proceeds from borrowings	-	8,653,096
Repayment of borrowings	-	(9,150,000)
Transaction costs related to borrowings	-	(500,221)
	<u>-</u>	<u>(997,125)</u>
Net cash from financing activities		
	<u>3,541,713</u>	<u>(9,010,846)</u>
Net increase / (decrease) in cash and cash equivalents		
Cash and cash equivalents at the beginning of the financial half-year	<u>13,284,348</u>	<u>14,632,148</u>
Cash and cash equivalents at the end of the financial half-year	<u>6</u> <u>16,826,061</u>	<u>5,621,302</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Butn Limited annual report for the year ended 30 June 2024 and considered with any public announcements made by Butn Ltd during the half-year ended 31 December 2024 in accordance with the continuous disclosure obligations of the *Corporations Act 2001* and ASX Listing Rules.

The principal accounting policies adopted are consistent with those of the 2024 annual financial statements, unless otherwise stated.

Restatement of comparatives

Comparative figures, where appropriate, have been reclassified to be comparable with the figures presented for the current financial half-year.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of activities.

The directors believe the Group has sufficient resources to pay its debts and meet its commitments for at least the next 12 months from the date of this financial report due to the Group having:

- reported a half year profit of \$205,145 (31 December 2023: Loss of \$3,173,356)
- a positive net asset position at 31 December 2024 of \$8,359,711 (30 June 2024: \$8,106,022)
- the Group had a cash balance as at 31 December 2024 of \$16,826,061 (30 June 2024: \$13,284,348)
- a history of successful debt renewals and equity raisings
- the Group generated positive operating cash flows of \$551,772 in the current period (31 December 2023: Cash used in operating activities of \$1,869,401).

Management prepares an annual budget, including an assessment of cash flow requirements, and continue to monitor actual performance against budget and plan throughout the reporting period. Management have assessed forecast cash flows based on which the Group will have sufficient funds available to meet its commitments for at least 12 months from the date of signing of this report. Management remain extremely diligent in their monitoring of cash flows day by day.

The Group have a strong track record of negotiation of their bond facilities and are confident that they will secure a replacement facility or rollover at maturity, including for the AFC 2019-1 bond which is due to mature on 1 July 2025. The AFC 2019-1 trust bond is secured against that bond's funded trade receivables, which if needed would provide recourse to recover cash collections to secure repayment. As at the date of signing this report, there are no material events or conditions that have occurred after the balance sheet date, which might lead to early recall or prevent the bonds from being renewed.

Accordingly, no adjustments have been made and the financial statements have been prepared on a going concern basis.

Note 2. Critical accounting judgements, estimates and assumptions

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2024 annual report.

Note 3. Revenue

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Revenue from customers	<u>7,101,558</u>	<u>6,778,629</u>

Note 4. Other Income

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Modification gain (Note 10)	-	345,853
Other income	4,115	5,662
	<u>4,115</u>	<u>351,515</u>

Note 5. Expenses

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
(Loss) before income tax includes the following specific expenses:		
<i>Amortisation</i>		
Intellectual property	-	496,342
Customer list	125,039	124,891
Total amortisation	<u>125,039</u>	<u>621,233</u>
<i>Finance costs</i>		
Interest and finance expenses paid/payable	3,275,581	3,395,236
Unwinding of transaction costs and modification gains	860,308	617,551
Finance costs expensed	<u>4,135,889</u>	<u>4,012,787</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>139,167</u>	<u>232,072</u>
<i>Other expenses</i>		
Allowances for expected credit losses	(1,000,000)	200,000
Bad debts	177,890	182,759
Professional fees	256,153	191,709
Insurance	74,423	130,814
Legal fees	216,011	377,580
Sundry expenses	112,218	141,031
Bank charges	93,451	113,496
Commissions	526,416	611,355
	<u>456,562</u>	<u>1,948,744</u>

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Cash on hand	1,208	1,208
Cash at bank	16,916,836	13,331,541
Cash on deposit	8,923	27,182
	<u>16,926,967</u>	<u>13,359,931</u>

Reconciliation to cash and cash equivalents at the end of the half-year reporting period

The above figures are reconciled to cash and cash equivalents at the end of the financial half-year as shown in the statement of cash flows as follows:

Balances as above	16,926,967	13,359,931
Bank facilities (Note 10)	(100,906)	(75,583)
	<u>16,826,061</u>	<u>13,284,348</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earns interest at the respective short-term deposit rates.

Note 7. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Trade receivables	75,708,369	79,197,374
Less: Allowance for expected credit losses	(3,000,000)	(4,000,000)
	<u>72,708,369</u>	<u>75,197,374</u>
BAS receivable	47,283	74,720
	<u>72,755,652</u>	<u>75,272,094</u>

Trade receivables are generally settled on terms of between 30 and 90 days. Client credit risk is influenced by individual debtors with the majority retailers and insurance companies with established credit worthiness. The Group also has recourse and / or security to its underlying clients in certain circumstances. New clients are assessed in advance of trading and monitored on an ongoing basis, along with all clients, to minimise bad debts. For trade and other receivables, The Group recognises a loss allowance based on lifetime expected credit losses (ECLs) at each reporting date incorporating its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is considered by the Group to be in default and is written off when internal or external information indicates that there is no reasonable expectation of recovering the contractual cash flows.

Note 7. Current assets - trade and other receivables (continued)

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Carrying amount		Expected credit loss rate		Allowance for expected credit loss	
Consolidated	31 Dec 2024	30 June 2024	31 Dec 2024	30 June 2024	31 Dec 2024	30 June 2024
	\$	\$	%	%	\$	\$
0-90 days	60,489,087	61,732,699	1.54%	1.45%	932,267	895,504
91 - 120 days	6,226,524	4,778,488	5.00%	5.00%	311,326	238,924
121 - 150 days	3,284,434	5,027,646	10.00%	10.00%	328,443	502,765
150+ days	5,708,324	7,658,541	25.02%	30.85%	1,427,964	2,362,807
	<u>75,708,369</u>	<u>79,197,374</u>			<u>3,000,000</u>	<u>4,000,000</u>

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Opening balance	4,000,000	800,000
Additional provision recognised	-	3,200,000
Release of provision	(1,000,000)	-
Closing balance	<u>3,000,000</u>	<u>4,000,000</u>

Note 8. Non-current assets - intangibles

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Customer list - at cost	2,745,049	2,733,328
Less: Accumulated amortisation	(1,796,967)	(1,671,928)
	<u>948,082</u>	<u>1,061,400</u>
Intellectual property - at cost	301,508	7,711,337
Less: Accumulated amortisation	-	(4,829,628)
Less: R&D offset	-	(2,881,709)
	<u>301,508</u>	<u>-</u>
	<u>1,249,590</u>	<u>1,061,400</u>

Note 8. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Customer list \$	Intellectual property \$	Total \$
Balance at 1 July 2024	1,061,400	-	1,061,400
Additions	11,721	301,508	313,229
R&D offset	-	-	-
Amortisation expense	(125,039)	-	(125,039)
Balance at 31 December 2024	<u>948,082</u>	<u>301,508</u>	<u>1,249,590</u>

Note 9. Current liabilities – trade, accruals and other payables

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Trade and other payables	197,201	170,633
Accrued expenses	159,581	116,736
Accrued interest	1,678,431	1,657,535
	<u>2,035,213</u>	<u>1,944,904</u>

Note 10. Current liabilities - borrowings

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Bank facilities	100,906	75,583
Loan - AMAL Trustees Pty Ltd (AFC 2019-1 Trust) – Class A	61,072,895	60,447,655
Loan - AMAL Trustees Pty Ltd (AFC 2019-1 Trust) – Class B	8,127,488	8,022,910
	<u>69,301,289</u>	<u>68,546,148</u>

Loan - AMAL Trustees Pty Ltd (AFC 2019-1 Trust)

On 29 April 2022, the Group entered into an amended bond agreement with AMAL Trustees Pty Ltd, which extended the maturity by an additional two years to 1 July 2025, with early call dates. Additional nil interest Class C equity notes were issued to 5% of the bond amount. As of 1 July 2022, the interest rate for Class A Noteholders was reduced from 8.0% to 7.25% and for Class B Noteholders was reduced from 12.0% to 10.25%. No early call dates have been exercised as at the reporting date. Class C Notes will be subordinated to the Class A Notes and the Class B Notes; Class B Notes will be subordinated to the Class A Notes.

On 29 October 2023, the 2018-1 bond matured and the Group successfully rolled \$21.1 million of the bond into the 2019-1 bond, following an agreement with AMAL Trustees Pty Ltd. \$18.1 million Class A Notes and \$3.0 million Class B Notes were issued under the same terms as the amended bond agreement following the rollover.

Transaction costs were deducted off the financial liability's carrying value and will be unwound through the Statement of profit or loss and other comprehensive income over the bond's remaining term.

The AFC 2019-1 Trust bonds are secured against the funded trade receivables.

Note 11. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Loan - AMAL Trustees Pty Ltd (AFC 2022-1 Trust) – Class A	10,047,918	10,004,466
Loan - AMAL Trustees Pty Ltd (AFC 2022-1 Trust) – Class B	1,182,108	1,176,996
	<u>11,230,026</u>	<u>11,181,462</u>

Loan - AMAL Trustees Pty Ltd (AFC 2022-1 Trust)

In October 2022, the Group entered into a bond agreement with AMAL Trustees Pty Ltd to provide Australian dollar, floating rate debt funding to support further loan book growth. Under terms of the bond, \$10.2 million Class A 7% + 3MBBSW and \$1.2 million Class B 10.25% +3MBBSW Notes were issued with a 4-year maturity date to 1 October 2026, with early call dates. The Notes have additional nil interest Class C equity notes, issued to 5% of the bond amount.

Transaction costs were deducted off the financial liability's carrying value and will be unwound through the Statement of profit or loss and other comprehensive income over the bond's remaining term.

The AFC 2022-1 Trust bonds are secured against the funded trade receivables.

Note 12. Equity - issued capital

	Consolidated			
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	279,344,570	183,018,599	39,767,239	35,123,478
Issue of shares – ANREO – institutional	-	15,132,476	-	786,889
Issue of shares – ANREO – retail	-	81,193,495	-	4,222,064
			-	
Transaction costs associated with equity issue	-	-		(365,192)
	<u>279,344,570</u>	<u>279,344,570</u>	<u>39,767,239</u>	<u>39,767,239</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 13. Fair value measurement

Unless otherwise stated, the carrying amounts of financial assets and liabilities reflect their fair value. The carrying amounts of cash and cash equivalents, trade receivables and trade payables are assumed to approximate their fair value due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 14. Operating segments

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the directors) in order to allocate resources to the segment and assess performance. The Group had one operating segment being transactional funding. Accordingly, the financial information presented in the Statement of profit or loss and other comprehensive income and Statement of financial position is the same as presented to the chief operating decision maker.

Note 15. Earnings per share

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Profit/(Loss) after income tax attributable to the owners of Butn Limited	<u>205,145</u>	<u>(3,173,356)</u>
	Consolidated	
	31 Dec 2024	31 Dec 2023
Weighted average number of ordinary shares used in calculating basic loss per share	<u>279,344,570</u>	<u>183,018,599</u>
	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Basic loss per share (dollars)	0.01	(0.02)
Diluted loss per share (dollars)	0.01	(0.02)

Any securities that may potentially dilute basic earnings per share have not been included because they are anti-dilutive for the period presented.

Note 16. Contingent liabilities

The consolidated entity has no contingent liabilities as at 31 December 2024.

Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Butn Limited
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the consolidated company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



Rael Ross
Director



Cameron Petricevic
Director

Date: 18 February 2025

BUTN LIMITED
ABN 42 644 182 883

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BUTN LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Butn Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report.

We are independent of the Group in accordance with the auditor independence requirement of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Company, would be the same terms if given to the Directors as at the time of this Auditor's Review Report.

Responsibilities of the Directors for the Financial Report

The Directors of the Group are responsible for:

- a) the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*
- b) such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended as at that date; and complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Hall Chadwick Melbourne Audit
Chartered Accountants
Level 14, 440 Collins Street
MELBOURNE VIC 3000**



Director: Anh (Steven) Nguyen

Date: 19 February 2025