



Butn Limited

ACN 644 182 883

www.butn.co

ASX: BTN

Melbourne, 28/10/24
ASX ANNOUNCEMENT

Butn's FY25 commences with continued strong revenue and positive operating cashflow, with a growing pipeline

Quarterly Activities Report for the three months ended 30 September 2024

Q1 FY25 highlights

- **Continued strong quarterly revenue of \$3.5 million, up 7% on the previous corresponding period (pcp)**
- **Business achieves sustainable Net Operating Cashflow of positive \$0.3m, a second successive quarter of positive operating cashflow (up from \$0.2m last quarter)**
- **Improved revenue margins of 3.0% (2.7% in the pcp)**
- **Net operating cost payments of \$3.2m, down 28% on pcp**
- **Closing cash position of \$15.3m, up 15% on prior quarter**
- **Consolidation of recent business optimisation initiative**
- **Business continuing to pursue new organic and inorganic growth opportunities, with the sales pipeline increasing over the quarter**

Butn Limited (ASX: BTN; Butn) provides its quarterly activities report for the three months ended 30 September 2024 (Q1 FY25), along with the Company's Appendix 4C cash flow report.

Commenting on Q1 FY25, Butn's Co-founder and Co-CEO, Rael Ross said:

"FY25 has seen Butn grow its positive operating cash flow and achieve record quarterly revenue of \$3.5m, up 7% on the previous corresponding period. This was driven by our robust operating leverage, which has seen our revenue margin increase to 3.0% vs 2.7% in the previous corresponding period. The Butn platform originations performed well with originations up 25% on the previous corresponding period. The business has consolidated its position this quarter with several new initiatives, with a growing sales pipeline in train.

We have again achieved a positive operating cashflow for the quarter, following our breakthrough to positivity in the previous quarter. Management's focus on business optimisation in FY24 resulted in

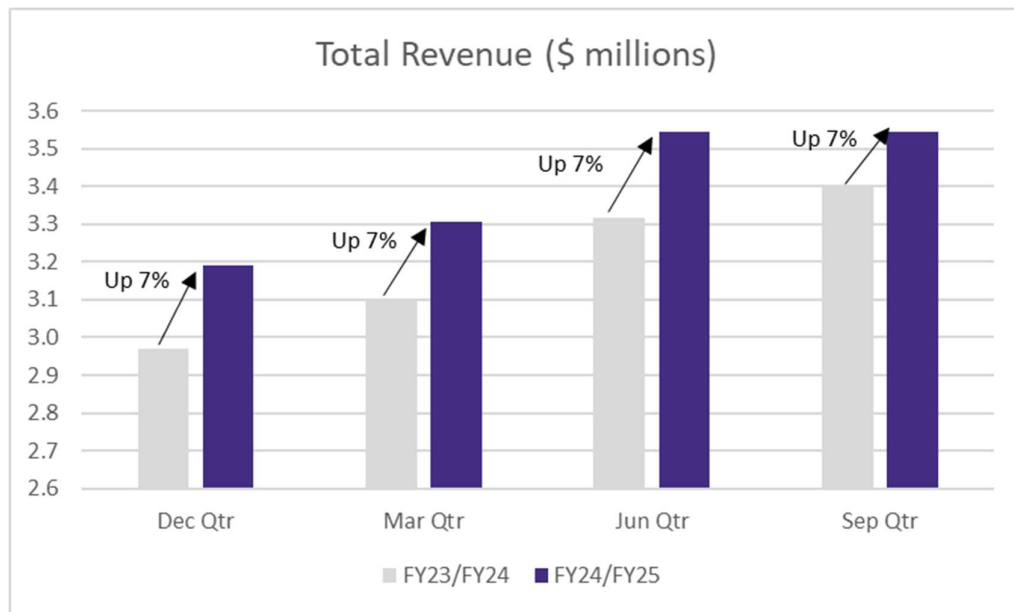
For personal use only

significant cost reductions. These realised benefits have been evident in the current quarter with net operating cost payments down 28% on the previous corresponding period.

We are actively exploring growth opportunities, with the launch of our new Retail Private Credit Fund post the quarter’s end a significant milestone. We look forward to continuing the success we are having with our strategic partners and building the momentum in FY25 and beyond.”

Record quarterly revenue

Q1 revenues totalled \$3.5 million, up 7% from the pcp (approximately equal to the company record last quarter), representing three consecutive quarters of growth. This achievement is mainly attributed to strong deal flows and conversion from new and existing clients. Also noteworthy is management’s accomplishment in improving Butn’s revenue margin to 3.0% (up from 2.7% in the pcp), following successful repricing with customers as well as the rising contribution of higher margin platform originations.



Key Metrics*

Revenue (\$ millions)	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr
FY24/FY25	3.2	3.3	3.5	3.5
FY23/FY24	3.0	3.1	3.3	3.4
Movement	7%	7%	7%	7%

*Rounding may occur. All figures unaudited.

Strong platform results

Butn’s platform originations exceeded \$40 million for the second consecutive quarter, up 25% on pcp, highlighting the SME community’s endorsement and adoption of our product offering. Platform originations account for c.35% of total Q1 originations and benefit from Butn’s scale with strategic partners. Q1 also delivered strong registration and user engagement metrics, including record user transactions. This data reinforces the significant benefits which the Butn’s embedded funding technology has attained across its strategic partnerships.

For personal use only

Focus

The Company continues to actively pursue new organic business opportunities as well as inorganic opportunities, such as the launch of our new Retail Private Credit Fund post the quarter's end.

Financial

At 30 September 2024, cash on hand was \$15.3 million, up 15% on the prior quarter, providing continued financial flexibility.

Summary of Q1 FY25 cashflows

Butn generated cash receipts from customers of \$3.5 million, including continued origination growth and higher revenue margins.

Total operating cash outflows have continued to reduce, reflecting strong expense discipline and recent business optimisation outcomes. Material operating outflows included staff costs of \$0.7 million (including \$0.2 million of salary and fees paid to directors and the Co-CEOs), administration and corporate costs of \$0.5 million, product manufacturing and operating costs of \$0.5 million, and interest paid of \$1.7 million.

Overall, in addition to a record quarterly revenue earned, Butn achieved positive operating cashflow for Q1 of \$0.3 million, up from \$0.2 million, marking the second consecutive quarter of positive operating cashflow.

Investing cash flows included \$0.2 million for Butn fintech development, together with \$1.8 million in net proceeds from receivables.

There were no financing cash flows in the quarter.

- ENDS -

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

Further information please contact:

Investors

Rael Ross, Co-CEO and Exec Director
Investor Relations: investors@butn.co

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 \$2 billion to Australian businesses. For more information visit www.butn.co