Butn Limited

ABN 42 644 182 883

30 June 2026

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 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.

Registered office

Level 25
525 Collins Street
Melbourne
VIC 3000

Principal place of business

Level 3, Office 20 & 22, 21-23 Williams Street
BALACLAVA
VIC 3183

Butn Limited
Corporate directory
30 June 2026

Directors	Cameron Petricevic – Independent and Non-Executive Chair Rael Ross – Executive Director Stan Gordon – Independent and Non-Executive Director (appointed 17 September 2025) Walter Rapoport – Executive Director (resigned 17 September 2025)
Company Secretary	Michael Carruthers (appointed 17 September 2025) Dean Berelowitz (resigned 17 September 2025)
Registered office	Level 25 525 Collins Street Melbourne VIC 3000
Principal place of business	Level 3, Office 20 & 22, 21-23 Williams Street Balaclava VIC 3183
Share register	Link Market Services Limited Level 13, Tower 4 727 Collins Street Melbourne VIC 3000
Auditor	Hall Chadwick Melbourne Chartered Accountants Level 14 440 Collins Street Melbourne VIC 3000
Solicitors	K&L Gates Level 25 525 Collins Street Melbourne VIC 3000
Stock exchange listing	Australian Securities Exchange – ASX: BTN www.asx.com.au
Website	www.butn.co

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 year ended 30 June 2026.

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

Directors	Cameron Petricevic – Independent and Non-Executive Chair Rael Ross – Executive Director Stan Gordon – Independent and Non-Executive Director (appointed 17 September 2025) Walter Rapoport – Executive Director (resigned 17 September 2025)
Company Secretary	Michael Carruthers (appointed 17 September 2025) Dean Berelowitz (resigned 17 September 2025)

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 leverage reach through third party platforms. The Group has also extended its funding offering into the franchising sector, providing secured funding to new franchisees to help meet the upfront costs of purchasing and establishing a franchise. During the year, the Group commenced private credit investment management activities through the establishment of the Moneybox investment platform and the management of the Moneybox Credit Fund.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The financial year saw continued growth in transactional funding to small and medium enterprises, with a record $528 million in annual originations (30 June 2025: $491 million), up 7% on the prior period, including an all-time high month in March 2026 of $55.7 million originations and $1.5 million in revenue.

Revenue for the year was $15.3 million (30 June 2025: $14.6 million), up 5%, at a revenue margin of 2.9% (30 June 2025: 3.0%). The loss for the consolidated entity after income tax was $3.8 million (30 June 2025: $2.7 million). The increase in loss was primarily driven by higher bad debt expense of $3.5 million (30 June 2025: $1.5 million). Excluding this movement, the Group's underlying result improved year on year, reflecting operating leverage from revenue growth and cost discipline across the business.

Growth was increasingly driven by Butn's embedded platform, where originations rose 45% on the prior period and accounted for 48% of total originations and 51% of revenue in the current financial year. This shift toward higher-margin platform distribution, together with new client wins and organic growth across existing partnerships, continued to underpin key engagement metrics across user transactions, user engagement and new registrations.

The year included several significant capital management initiatives. On 1 July 2025, Butn entered into a $100m syndicated facility with Northleaf Capital Partners (Canada) Ltd, initially comprising $75 million Facility A and $25 million Facility B on a four-year maturity to 2029, replacing the Group's prior corporate notes program and extending its funding maturity profile. Subsequent to year end, and as part of the Group's ongoing cost saving initiatives, the syndicated facility was amended, reducing the total facility to $77 million, which was fully drawn as at the date of this report and will save the Group approximately $0.2 million per annum in commitment fees on the previously undrawn balance. This was complemented by the second $3 million tranche of the institutional placement, completed in August 2025 following shareholder approval, and by an unmarketable parcel buyback in April 2026 that cancelled 1,185,630 shares, reduced issued capital by $0.2 million and simplified the Company's share register.

In June 2026, Butn also launched the Moneybox Retail Credit Fund, giving eligible investors access to a professionally managed strategy lending to Australian SMEs, targeting the RBA Cash Rate plus 3.00% p.a. with a $5,000 minimum investment and quarterly distributions — extending Butn's "Originate to Distribute" model into retail funds management as a new, capital-light revenue stream.

On 30 June 2026, Butn completed the sale of its Panel business to Working Capital Finance Pty Ltd for up to $4.1 million (a minimum $2.1 million cash on completion, plus deferred consideration of approximately $2.0 million tied to the business's revenue performance over the following 12 months). The Panel business contributed less than 15% of FY25 gross revenue and operated at lower margins than Butn's core funding business. Butn will also continue earning revenue from the Panel receivables book under a new secured funding facility to the purchaser.

Alongside the sale, Butn amended its Mighty Partners facility to extend maturity to 31 August 2026 and introduce a phased repayment schedule, reducing corporate debt and lowering finance costs by approximately $1.5 million.

Having completed the Panel divestment, the Mighty Partners refinancing and the Moneybox launch, the Group enters FY27 with a simplified capital structure and an improved funding profile. Management's priority is assessing organic and inorganic growth opportunities, scaling the platform and existing partnerships whilst maintaining discipline on cost and credit risk and concurrently working to strengthen Butn's underlying cash position.

Material business risks

Sufficiency of funding
The Company's business model is reliant on its ability to secure funding through a combination of debt and equity. The Company may need to raise additional funds from time to time to grow its receivables book and finance its operations.

There are various factors that could influence the Company's liquidity, many of which are outside of the Company's control. There is no assurance that the Company will be able to raise additional equity or that existing or future debt facilities will continue to be available, and on terms that are commercially acceptable.

The Company's ability to provide funding to customers on favourable terms depends, in turn, on its ability to access funding and the terms on which such funding is obtained.

The Company may not be able to extend the financing term or increase the funding capacity of its facilities beyond their existing terms and/or, when renegotiating an extension or increase, may not be able to do so on the same or more favourable terms. In addition, the Company may not be able to enter into new facilities or other funding arrangements (including as part of a refinancing) sufficient to meet its business requirements. This could impact the Company's ability to provide new funding to customers or provide new funding on competitive terms.

The ability to access funding could impact the viability of the Company, its ability to service customers, maintain contractual obligations and avoid reputational damage.

Failure to retain existing customers and attract new customers
The Company's revenue depends on its ability to retain and attract new customers on commercially acceptable terms.

Failure to retain existing customers or attract new customers on acceptable commercial terms could adversely impact the Company's financial position and performance.

Competition
The Company faces direct competition from existing invoice finance funders. In addition to direct competitors, the Company's products compete with alternative financial products such as bank loans, lines of credit and asset finance products.

Systems and technologies in the financial technology sector are continually changing, superseding existing offerings. New competitors may enter the market with a novel offering that could disrupt the Company's business and growth strategy. The Company's success will depend in part on its ability to (i) offer transaction finance products that remain relevant and (ii) maintain the distribution capabilities required to ensure those products reach the target market in a cost-effective way.

An increase in competition could adversely impact the Company's financial position and performance.

Loss of key management personnel
The Company has to date relied on the collective skills and expertise of a limited number of top management executives. Retaining these key management personnel in their current position is critical to the Company's short and medium term success.

Cybersecurity and data protection
The Company collects and holds a significant amount of personal information about its customers. Unauthorised access to, or breach or failure of, the Company's digital infrastructure due to cyber-attacks, negligence, human error or other third-party actions, could disrupt the Company's operations and result in the loss or misuse of data or sensitive information exposing the Company to litigation, claims, fines and penalties and of which might have an adverse effect on the Company's financial position, performance and reputation.

Credit risk
The Company is exposed to the risk of bad debts associated with the payment obligations of its customers. The extent to which this risk will impact the Company's business depends on (among other things):

- the capacity of the Company's systems and processes to properly assess the credit risk of a customer at the stage of on-boarding and then ongoing at each transaction, including the ability for the end debtor to make payment;
- the Company's ability to obtain retention monies from customers; and
- the extent to which a transaction is covered under the Company's insurance policy.

A failure to adequately assess and manage credit risk may result in non-recoverable write offs, which could adversely impact the Company's financial position, performance and reputation.

Fraud
The Company is exposed to the risk of fraudulent behaviour in connection with the financing products it offers.
A failure to adequately assess and manage fraud risk may result in non-recoverable write offs, which could adversely impact the Company's financial position, performance and reputation.

Loss of Platform Partnerships
The Company has begun to roll out its Butn FinTech Solution via third party Platform Partners. The use of third-party Platform Partners creates increased distribution potential and rapid scaling by enabling Butn to introduce the Butn FinTech Solution to each Platform Partner's user base.

At present, the Company is not reliant on any single Platform Partner and while at an early stage, this new distribution channel is intended to grow significantly.

There can be no assurance that the current or new Platform Partners will continue their relationship with the Company, or if they continue, that these relationships will generate material revenue. Furthermore, many of the Company's contracts with its Platform Partners can be terminated on relatively short notice with the risk that one or more Platform Partners move to a competitor or seek to develop their own in-house finance offering.

Technology risk
The Butn FinTech Solution uses and relies on integration with third party systems and platforms. The continual provision of services and products to customers via this channel depends on the Company's ability to successfully integrate across various systems and platforms, including as those systems and platforms evolve and develop over time. Any integration failure could adversely impact the Company's financial position, performance and reputation.

Changes in law and regulations
The Company may be adversely impacted by the introduction or changes in government policy, regulation or legislation applying to financial products.

Climate-related Financial Risks
Exposure to climate-related risks is considered primarily indirect and may arise through customer industries, economic conditions and portfolio performance.

Potential impacts may include customer business disruption, supply chain interruptions and increased credit risk in certain industries or geographic regions over time. Climate-related matters are considered as part of the Group's broader risk management, credit assessment and expected credit loss assessment processes.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the year.

Matters subsequent to the end of the financial year
Other than those disclosed in the financial statements, no other matter or circumstance has arisen since 30 June 2026 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.

Likely developments and expected results of operations
The consolidated entity expects to see continued origination and revenue growth, combined with platform opportunities and expansion in the coming financial year.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Corporate Governance Statement
The Group and Board are committed to implementing and demonstrating best practice corporate governance. The Group has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. The Corporate Governance Statement is dated as at 20 August 2026 and was approved by the Board on 20 August 2026.

The Group's corporate governance practices are set out on its website and can be viewed at https://investors.butn.co

Information on directors

Name:	Cameron Petricevic
Title:	Independent and Non-Executive Chair
Experience and expertise:	Cameron was appointed as an Independent and Non-Executive Chair of Butn on the 23rd of February 2024. Cameron has spent over 20 years in the financial industry, an experienced Board member of both private and public companies. He has extensive investment banking experience, including mergers & acquisitions, valuations, initial public offerings and portfolio management coupled with growing early stage companies. Cameron is a qualified Actuary (AIAA), holds a Bachelor of Commerce (Actuarial) and a Bachelor of Engineering (Electrical) from the University of Melbourne, with First Class Honours. He is also a Graduate of the Australian Institute of Company Directors (GAICD) and founder/treasurer of Brimbank ToRCH, a Royal Children's Hospital auxiliary charity. He has held previous roles at AXA Asia Pacific (acquired by AMP), Acorn Capital and as a Partner at Kentgrove Capital. Cameron is currently a Director/Founder at Lucrum Ventures Pty Ltd, a Non-Executive Director of RocketBoots Ltd (ASX-ROC), a Non-Executive Director of Vection Technologies Ltd (ASX-VR1) and an Executive Director of Infinity Mining Ltd (ASX-IMI).
Special responsibilities:	Chair of the Nomination and Remuneration Committee and member of the Audit and Risk Committee
Other current directorships:	Non-Executive Director of RocketBoots Ltd (since 3rd December 2021); Non-Executive Director of Vection Technologies Ltd (since 19th January 2025); Executive Director of Infinity Mining Ltd (since 2nd May 2025)
Former directorships (last 3 years):	None
Interests in shares:	2,364,829 ordinary shares
Interests in options:	250,000

Name:	Rael Ross
Title:	Founder, Chief Executive Officer and Executive Director
Experience and expertise:	Rael co-founded the Group and was appointed Executive Director and Co-Chief Executive Officer of Butn on the 9 September 2020. He was appointed Chief Executive Officer on 17 September 2025. Understanding the need for technology to enable financing and digital distribution as companies seek access to finance, Rael co-founded Butn with Walter Rapoport. With over 15 years' experience in financial services, technology and business, Rael has driven the establishment of the Butn FinTech Solution. Rael has created, developed and executed technology and digital projects through several businesses. Rael co-founded what is today known as Tsikot.com, one of the leading online automotive platforms and the largest online automotive forum in the Philippines.

As a qualified accountant, Rael has worked in private practice, the not-for-profit sector and for 'Big 4' accounting firms.

Rael was awarded a full scholarship at Monash University, where he completed a Bachelor of Accounting. In 2020, Rael was awarded Australian Young Entrepreneur across multiple categories.

Special responsibilities:	Member of the Audit and Risk Committee
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	40,627,156 ordinary shares
Interests in options:	3,500,000

Name:	Stan Gordon
Title:	Independent and Non-Executive Director
Experience and expertise:	Stan was appointed as an Independent and Non-Executive Director of Butn on the 17th September 2025.

Stan has over 35 years of comprehensive commercial experience across small to medium-sized enterprises, bringing a strategic and forward-thinking approach to business development and branding. His innovative mindset, combined with a track record of successful brand acquisitions and operational leadership, enables him to craft tailored solutions that optimise business performance.

In 2000, Stan diversified his portfolio by acquiring Mr Whippy, followed by investments in Pretzel World, Cold Rock Ice Creamery, and several other prominent FMCG brands. He has established himself as a leading authority in the Australian franchising industry, leveraging his extensive network and deep industry insight to drive growth and innovation within the sector. Stan's expertise in franchise management, market positioning and operational efficiencies strengthens business models and supports sustainable growth and long-term success.

Special responsibilities:	Chair of Audit and Risk Committee and member of the Nomination and Remuneration Committee
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	550,000 ordinary shares
Interests in options:	None

Company Secretary Michael Carruthers

Michael Carruthers was appointed Company Secretary on 17 September 2025.

Mr Carruthers has more than 10 years of experience in accounting and company secretarial services for ASX-listed companies.

He holds a Bachelor's Degree in Business and Commerce and is a member of the Chartered Accountants Australia and New Zealand.

Mr Carruthers is also Company Secretary of other private and public entities.

Meetings of directors

The number of meetings of the company's Board of Directors ('Board') and committees held during the year ended 30 June 2026, and attended by each director / committee member were:

	Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Cameron Petricevic	4	4	2	2	2	2
Rael Ross	4	4	2	2	2	2
Stan Gordon (appointed 17 September 2025)	3	3	2	2	1	1
Walter Rapoport (resigned 17 September 2025)	1	1	0	0	1	1

Held: represents the number of meetings held during the time the director / committee member held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The Report details the remuneration arrangements for the company's key management personnel ("KMP"):
- Non-Executive Directors ("NEDs"); and
- Executive Directors and senior executives (collectively the "executives").

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Share-based compensation; and
- Additional disclosures relating to KMP.

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns reward with the achievement of strategic objectives and the creation of value for shareholders, with regard to relevant market practice.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Group's remuneration policies and principles were established by the Board and guided by the Nomination and Remuneration Committee (the "Committee"). The Committee is made up of a majority of independent NEDs, with a minimum of three members. The Committee's remit is to review and determine the Group's Remuneration Policy and structure annually to ensure that it remains aligned to business needs and meets the Group's remuneration principles.

The Committee aims to ensure that its remuneration policies are governed by the following guiding principles:
- Maintain a people light business, whilst recognising people are a critical input to success;
- Remuneration should scale with the business, with regular reviews to reflect the business's stage and risk profile;
- Remuneration should align long term interests of shareholders, rewarding long term success; and
- Equity encourages performance and acting like owners.

The Committee is responsible for determining and reviewing remuneration arrangements for NEDs and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is

to attract, motivate and retain high performance and high-quality personnel. The Committee charter is reviewed annually to ensure that it remains appropriate for the Group.
Where relevant, in consultation with external consultants, the Committee seeks to structure a remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align reward to shareholders' interests by:
● attracting and retaining high calibre employees;
● rewarding capability and experience;
● reflecting competitive reward for contribution to sustainable growth in shareholder wealth; and
● providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of NEDs and executives remuneration is separate.

Non-Executive Directors' remuneration

Fees and payments to NEDs reflect the demands and responsibilities of their role. The Committee may, from time to time, receive advice from consultants to ensure NEDs' fees and payments are appropriate and in line with the market.
NEDs do not receive performance-based pay or retirement allowances.

Under the company's constitution, the company's NEDs are entitled to be paid for their services as directors, such annual fees as the directors determine, provided the annual fees do not exceed in aggregate the maximum sum that is from time to time approved by the Shareholders in a general meeting in accordance with the ASX Listing Rules. This sum does not include remuneration in the form of share, option or other equity plans separately approved by the Shareholders in a general meeting. For the purposes of the Constitution and the ASX Listing Rules, the company has set a cap of $400,000.

The company has entered into appointment letters with each NED on the following key terms:

● Cameron Petricevic receives an annual remuneration of $95,000 (inclusive of superannuation);
● Stan Gordon (from 17 September 2025) receives an annual remuneration of $55,000 (exclusive of superannuation).

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

● base pay and non-monetary benefits;
● short-term performance incentives;
● share-based payments; and
● other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Total fixed remuneration ("TFR"), consisting of base salary, superannuation and non-monetary benefits, are based on individual performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other benefits where it does not create additional costs to the consolidated entity.

Details of the short-term incentive ('STI') plan are detailed below:

Executive KMP receive performance-based remuneration which rewards performance over the financial year. STI objectives are reviewed by the Committee and are paid in cash up to 20% of base annual salary (pro-rated), subject to the performance criteria being met. STI objectives are a combination of shared goals along with specific individual goals related to the particular executive role. The Board has discretion to adjust STI outcomes, including reducing (down to zero, if appropriate) any STI award.

Details of the long-term incentive ('LTI') plans are detailed below:

The Group does not currently maintain a formal long-term incentive ("LTI") plan with predetermined performance hurdles. From time to time, the Board may issue options, performance rights or other equity-based incentives to directors, executives and employees to align remuneration outcomes with long-term shareholder value creation, retention objectives and the achievement of strategic objectives. Equity-based incentives issued during the financial year, including vesting conditions where applicable, are disclosed below.

Grant Date	Performance Rights Granted	Expiry Date
26/02/2026	471,687	01/01/2027

The performance rights vest subject to the achievement of specified KPIs and continued employment.

Use of consultants

The Committee may engage and consider advice from consultants where appropriate in relation to remuneration matters including the setting and establishment of the STI, LTI, the remuneration mix and quantum for KMP and other employees. No consultants were used in the current period.

Clawback of remuneration

In the event of serious misconduct or a material misstatement in the Group's financial statements, the Board has the ability to reduce, cancel or clawback LTI in certain circumstances. There were no clawback instances in the current period.

Trading policy

The Group has implemented a Trading Policy which applies to employees and KMP's. The policy prohibits employees from dealing in the company's securities while in possession of material non-public information relevant to the Group. The policy also includes for designated employees and their closely related parties, black-out periods during which no trade in the Group's securities can occur as well as a prohibition on entering into any margin lending, short-term trading, short selling or derivative arrangements. The Group considers a breach of this policy as gross misconduct, which may lead to disciplinary action and potential dismissal.

Voting and comments made at the company's 2025 Annual General Meeting ('AGM')

At the 2025 AGM, 99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of KMP of the consolidated entity are set out in the following tables.

The KMP of the consolidated entity consisted of:

- Cameron Petricevic – Independent, Non-Executive Chair
- Rael Ross – Chief Executive Officer and Executive Director
- Stan Gordon – Independent, Non-Executive Director (appointed 17 September 2025)
- Walter Rapoport – Co-Chief Executive Officer and Executive Director (resigned 17 September 2025)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2026	Cash salary and fees $	Annual leave $	Cash bonus $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors;							
Cameron Petricevic (Chair)	97,014	-	-	-	-	50,000	147,014
Stan Gordon	43,542	-	-	5,225	-	-	48,767
(from 17 September 2025)							
Executive Directors:							
Rael Ross	364,500	115,720	-	43,740	33,919	100,000	657,879
Walter Rapoport	255,842	6,981	-	8,190	1,459	-	272,472
(until 17 September 2025)	760,898	122,701	-	57,155	35,378	150,000	1,126,132

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2025	Cash salary and fees $	Annual leave $	Cash bonus $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors;							
Cameron Petricevic (Chair)	70,000	-	-	-	-	7,250	77,250
Executive Directors:							
Rael Ross	273,000	26,562	27,300	31,395	12,303	10,614	381,174
Walter Rapoport	273,000	6,471	27,300	31,395	12,303	10,614	361,083
	616,000	33,033	54,600	62,790	24,606	28,478	819,507

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2026	2025	2026	2025	2026	2025
Non-Executive Directors:						
Cameron Petricevic	66%	91%	-	-	34%	9%
Stan Gordon	100%	-	-	-	-	-
Executive Directors:						
Rael Ross	85%	90%	-	7%	15%	3%
Walter Rapoport	100%	89%	-	8%	-	3%

Cash bonuses are dependent on meeting defined performance measures. The amount of the bonus is determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Executive remuneration'.

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable 2026	Cash bonus paid/payable 2025	Cash bonus forfeited 2026	Cash bonus forfeited 2025
Executive Directors:				
Rael Ross	0%	50%	100%	50%
Walter Rapoport (until 17 September 2025)	0%	50%	100%	50%

Service agreements

Remuneration and other terms of employment for executive KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	Rael Ross
Title:	Chief Executive Officer
Term of agreement:	Ongoing
Details:	Base salary of $395,000 plus superannuation; 6-month termination notice by either party; STI cash bonus of up to 20% of base salary (pro-rated) subject to approval and performance criteria; LTI bonus subject to employment retention criteria, non-solicitation and non-compete clauses.

Name:	Walter Rapoport
Title:	Co-Chief Executive Officer
Term of agreement:	2 July 2015 until 17 September 2025
Details:	Base salary of $273,000 plus superannuation; 6-month termination notice by either party; STI cash bonus of up to 20% of base salary (pro-rated) subject to approval and performance criteria; LTI bonus subject to employment retention criteria, non-solicitation and non-compete clauses.

Executive KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2026 are set out below:

Name	Date	Shares	Issue price	$
Cameron Petricevic	16/12/2025	625,000	0.08	50,000
Rael Ross	16/12/2025	1,250,000	0.08	100,000

Options

There were no options over ordinary shares granted or exercised for directors and other KMP as part of their compensation during the year ended 30 June 2026.

Details of options over ordinary shares that lapsed, expired or were forfeited during the year for directors and other KMP as part of compensation are set out below:

Name	Value of options lapsed during the year $
Rael Ross	231,400

Additional information

The Directors disclose the following three years of financial performance on the basis that they consider this period most relevant for comparative purposes.

The earnings of the consolidated entity for the three years to 30 June 2026 are summarised below:

	2026	2025	2024
Revenue	15,269,947	14,606,017	13,489,634
Loss for the year	(3,827,230)	(2,661,558)	(12,331,346)

The factors that are considered to affect total shareholders' return are summarised below:

	2026	2025	2024
Share price at financial year end ($)	0.01	0.11	0.05
Total dividends declared ($)	-	-	-
Basic earnings per share ($)	(0.01)	(0.01)	(0.06)
Net tangible assets per share ($)	0.03	0.03	0.03

Additional disclosures relating to KMP

Shareholding

The number of shares in the company held during the financial year by each director and other members of KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions*	Disposals	Balance at the end of the year/at resignation
Ordinary shares					
Cameron Petricevic	423,163	625,000	1,316,666	-	2,364,829
Rael Ross	39,197,156	1,250,000	180,000	-	40,627,156
Stan Gordon (from 17 September 2025)	-	-	550,000	-	550,000
Walter Rapoport (until 17 September 2025)	39,333,905	-	-	-	39,333,905
	78,954,224	1,875,000	2,046,666	-	82,875,890

**Purchase of on-market securities*

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year/at resignation
Options over ordinary shares					
Cameron Petricevic	250,000	-	-	-	250,000
Rael Ross	4,800,000	-	-	1,300,000	3,500,000
Stan Gordon (from 17 September 2025)	-	-	-	-	-
Walter Rapoport (until 17 September 2025)	4,800,000	-	-	3,050,000	1,750,000
	9,850,000	-	-	4,350,000	5,500,000

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers

The company has indemnified the directors and officers of the company in their capacity as a director or officer, for which they may be held personally liable, except where there is a lack of good faith. The company paid a premium in respect of a contract to insure the directors and officers of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor of non-audit services provided during the financial year by the auditor are outlined in Note 25 to the financial statements.

The directors are satisfied that the provision for non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services disclosed in Note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and reward.

Shares under option

Unissued ordinary shares of Butn Limited under option at the date of this report are as follows:

Description	Expiry date	Exercise price	Number of options
New EIP	14/11/2028	$0.08	5,500,000
New EIP	25/08/2028	$0.12	500,000
Mighty Partners	01/08/2028	$0.12	8,333,333
EIP	27/01/2027	$0.225	1,110,000
EIP	27/01/2027	$0.225	1,667,000
EIP	27/01/2027	$0.255	1,334,000
EIP	27/01/2027	$0.270	1,101,870

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

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 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Cameron Petricevic
Director

Rael Ross
Director

Date: 25 August 2026

BUTN LIMITED
ABN 42 644 182 883

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

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Butn Limited and controlled entities.

As the lead audit partner for the audit of the financial report of Butn Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick Melbourne Audit
Level 14, 440 Collins Street
Melbourne VIC 3000

Anh (Steven) Nguyen
Registered Company Auditor
Partner

Date: 26 August 2026

Butn Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated 2026 $	2025 $
Revenue	4	15,269,947	14,606,017
Other income	5	6,468	8,787
Interest revenue		766,371	333,854
Gain on disposal of asset	6	3,402,705	-
Expenses			
Employee benefits expense		(3,028,158)	(3,033,009)
Consulting and IT related fees		(1,560,798)	(1,650,256)
Other expenses	7	(7,523,560)	(4,273,174)
Occupancy		(104,650)	(79,733)
Depreciation and amortisation expense	7	(258,497)	(251,580)
Share based payments expense	33	(247,460)	(100,390)
Finance costs	7	(10,624,469)	(8,202,275)
Loss before income tax expense		(3,902,101)	(2,641,759)
Income tax (expense)/benefit	8	74,871	(19,799)
Loss after income tax (expense)/benefit for the year attributable to the owners of Butn Limited		(3,827,230)	(2,661,558)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Butn Limited		(3,827,230)	(2,661,558)
Basic loss per share	26	(0.01)	(0.01)
Diluted loss per share	26	(0.01)	(0.01)

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 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Assets			
Current assets			
Cash and cash equivalents	9	13,248,114	16,315,930
Trade and other receivables	10	78,988,370	83,882,078
Financial assets	11	2,050,000	4,000,000
Other	12	273,651	741,189
Total current assets		94,560,135	104,939,197
Non-current assets			
Loan receivable	13	2,799,341	-
Intangibles	14	826,679	1,256,010
Deferred tax	15	1,416,542	1,342,193
Total non-current assets		5,042,562	2,598,203
Total assets		99,602,697	107,537,400
Liabilities			
Current liabilities			
Trade, accruals and other payables	16	2,524,061	2,547,724
Borrowings	17	8,287,952	91,003,682
Employee benefits		836,530	857,225
Deferred revenue		867,636	930,260
Total current liabilities		12,516,179	95,338,891
Non-current liabilities			
Borrowings	18	75,581,779	-
Employee benefits		48,663	55,140
Total non-current liabilities		75,630,442	55,140
Total liabilities		88,146,621	95,394,031
Net assets		11,456,076	12,143,369
Equity			
Issued capital	19	49,279,518	46,365,754
Reserves	20	1,708,733	1,582,307
Accumulated losses		(39,532,175)	(35,804,692)
Total equity		11,456,076	12,143,369

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

Butn Limited
Statement of changes in equity
For the year ended 30 June 2026

Consolidated	Issued capital $	Capital reconstruction reserve $	Share-based payments reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2025	46,365,754	(548,149)	2,130,456	(35,804,692)	12,143,369
Loss after income tax benefit for the year	-	-	-	(3,827,230)	(3,827,230)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(3,827,230)	(3,827,230)
Issue of shares – Institutional placement (Note 19)	3,041,386	-	-	-	3,041,386
Issue of shares – Directors and EIP (Note 19)	198,300	-	-	-	198,300
Issue of options – borrowing facility	-	-	116,667	-	116,667
Conversion of performance rights (Note 19)	39,400	-	(39,400)	-	-
Repayment of unmarketable parcels (Note 19)	(153,195)	-	-	99,747	(53,448)
Transaction costs on issue of shares (Note 19)	(212,127)	-	-	-	(212,127)
Share based payments expense	-	-	49,159	-	49,159
Balance at 30 June 2026	49,279,518	(548,149)	2,256,882	(39,532,175)	11,456,076
Balance at 1 July 2024	39,767,239	(548,149)	2,030,066	(33,143,134)	8,106,022
Loss after income tax expense for the year	-	-	-	(2,661,558)	(2,661,558)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(2,661,558)	(2,661,558)
Issue of shares – Institutional placement (Note 19)	6,983,614	-	-	-	6,983,614
Transaction costs on issue of shares (Note 19)	(385,099)	-	-	-	(385,099)
Share based payments expenses (Note 33)	-	-	100,390	-	100,390
Balance at 30 June 2025	46,365,754	(548,149)	2,130,456	(35,804,692)	12,143,369

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

Butn Limited
Statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 2026 $	2025 $
Cash flows from operating activities			
Receipts from clients		15,213,790	14,824,950
Payments to suppliers and employees		(8,935,836)	(7,244,000)
Interest received		766,371	333,854
Interest paid		(9,087,171)	(6,655,991)
Taxes refunded		383,980	484,032
Net cash from / (used in) operating activities	32	(1,658,866)	1,742,845
Cash flows from investing activities			
Proceeds from receivables		457,468,126	432,138,330
Payment for receivables		(456,988,517)	(442,151,069)
Proceeds from financial assets		5,000,000	-
Payments for financial assets		(5,050,000)	(4,000,000)
Proceeds from sale of business		2,100,000	-
Payments for intangibles		(654,783)	(776,634)
Net cash from / (used in) investing activities		1,874,826	(14,789,373)
Cash flows from financing activities			
Proceeds from issue of shares		3,041,386	6,983,614
Repurchase of own shares		(53,448)	-
Proceeds from borrowings		77,100,000	10,000,000
Repayment of borrowings		(81,326,000)	-
Transaction costs on issue of shares		(212,127)	(385,099)
Transaction costs related to borrowings		(1,797,447)	(744,497)
Net cash from / (used in) financing activities		(3,247,636)	15,854,018
Net increase/(decrease) in cash and cash equivalents		(3,031,676)	2,807,490
Cash and cash equivalents at the beginning of the financial year		16,091,838	13,284,348
Cash and cash equivalents at the end of the financial year	9	13,060,162	16,091,838

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

Note 1. Summary of material accounting policies

The principal accounting policies adopted in the preparation of the financial statements of the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Butn Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026 are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2026. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Except for cash flow information, the financial statements have been prepared, using an accrual basis and under the historical cost convention.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Going concern
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:
- a positive net asset position at 30 June 2026 of $11,456,076 (30 June 2025: $12,143,369)
- cash and cash equivalents of $13,248,114 at 30 June 2026 (30 June 2025: $16,315,930)
- a history of successful debt renewals, positive restructurings and equity raisings, including the syndicated facility agreement entered into with Northleaf Capital Partners on 1 July 2025, a further $3 million equity raise completed in August 2025 and the amended Mighty Partners facility, which reduces corporate debt and financing costs
- the sale of its Panel business, which will lead to future cost savings from the next financial year

The Group used net cash of $1,658,866 in operating activities (30 June 2025: net cash generated from operations of $1,742,845). Notwithstanding this, management have assessed forecast cash flows which extend to 31 October 2027 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.

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

Note 1. Summary of material accounting policies (continued)

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 30.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Butn Limited ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Butn Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Restatement of comparatives
Comparative figures, where appropriate, have been reclassified to be comparable with the figures presented for the current financial year.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed in revenue are net of returns, allowances, rebates and amount collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group’s activities.

Revenue is recognised for the major business activities as follows:

Revenue from customers
The customer contracts relate to business to business transactional funding, whose focus is providing financing to small and medium enterprises. Income arising from customer contracts consist of two main categories:
- Finance Fee - The main component of income arising under these contracts
- Other fees and charges - Additional costs and charges including establishment, administration charges for services, additional fees for overdue amounts and related administration costs.

Income is recognised over the expected term of the contract. Money received in advance is deferred and recognised as a deferred revenue liability.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest
Interest revenue is recognised as interest accrues using the effective interest method.

Note 1. Summary of material accounting policies (continued)

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. R&D tax incentives received or receivable are accounted for under AASB 120 Government Grants as other income, unless related to capitalised expenditure in which case it is offset against the asset and realised through a lower amortisation charge across the asset's useful life.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the Statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Restricted cash represents cash held by the entity that has a specific usage purpose disclosed in Note 9.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement between 30 to 90 days. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Note 1. Summary of material accounting policies (continued)

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Intellectual property
Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred.

Directly attributable costs that are capitalised as part of the intangible asset include payments to external contractors, any purchase of materials and equipment, and personnel costs of employees directly involved in the project.

Customer list
Significant costs associated with customer list acquisitions are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 12 years.

Licenses
Licences with an indefinite useful life are initially measured at cost, including all direct costs incurred to acquire the asset and bring it to its intended use, which are capitalised to the asset. Licences with an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. Other finance costs are expensed in the period in which they are incurred.

Note 1. Summary of material accounting policies (continued)

Provisions
Provisions are recognised when the consolidated entity has a present obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for employee benefits not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees and others.

Equity-settled transactions are awards of shares, or options over shares, that are provided in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using an option pricing model that takes into account, amongst other things, the exercise price, the term of the option, the share price at grant date and expected price volatility, the expected dividend yield and the risk-free interest rate for the term of the option.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements as follows:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 1. Summary of material accounting policies (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of Butn Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The significant judgements, estimates and assumptions by management include:

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees and others by reference to their fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate option pricing model taking into account the terms and conditions upon which the instruments were granted.

Share-based payments transactions are further detailed in Note 33.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on ageing brackets, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in Notes 10 and 13, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Management has considered the potential impacts of climate-related risks in assessing expected credit losses, including potential impacts on customer industries and broader economic conditions. At the reporting date, no material adjustments were considered necessary as a result of climate-related factors.

The consolidated entity has developed a model that considers both quantitative and qualitative information and analysis. The consolidated entity determines expected credit losses by multiplying together three main components, probability of default (PD), exposure at default (EAD) and loss given default (LGD). The EAD represents the total value the Group is exposed to when the trade receivable defaults. The LGD represents the unrecovered portion of the EAD considering mitigating effect of realisable value of security.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, become technically obsolete or non-strategic and subsequently abandoned or sold off.

Disposal of Panel business
The purchase price for the disposal of the Panel business is subject to adjustment based on the gross revenue generated by the disposed business during the twelve-month period following completion.

In determining the amount of deferred consideration to recognise at 30 June 2026, management exercised judgement in assessing the expected gross revenue to be generated over the contractual measurement period. This assessment considered historical trading performance, current customer activity, expected customer retention and forecast revenue.

Based on this assessment, management have concluded that no reduction in the purchase price was expected under the contractual purchase price adjustment mechanism and, accordingly, recognised the full deferred consideration receivable of $2.0 million at 30 June 2026.

Management will reassess the deferred consideration receivable at each reporting date until the contractual measurement period concludes. Any changes in the estimated consideration receivable will be recognised in profit or loss in the period in which the estimate changes.

Note 3. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
Butn IP Pty Ltd	Australia	100.00%	100.00%
Australian Factoring Company Pty Ltd	Australia	100.00%	100.00%
Action Funding Pty Ltd	Australia	100.00%	100.00%
Faultless Recovery Services Pty Ltd	Australia	100.00%	100.00%
Smith Finance Pty Ltd	Australia	100.00%	100.00%
Butn Agri Pty Ltd	Australia	50.00%	50.00%
Butn SPV Pty Ltd	Australia	100.00%	100.00%
Butn Moneybox SPV Pty Ltd	Australia	100.00%	100.00%
Moneybox IM Pty Ltd	Australia	100.00%	100.00%
AFC 2019-1 Trust	Australia	-	90.91%
AFC 2022-1 Trust	Australia	-	90.91%
NZ Factoring Company Ltd	New Zealand	100.00%	100.00%

Note 4. Revenue

	Consolidated 2026 $	Consolidated 2025 $
Revenue from customers	15,269,947	14,606,017

Note 5. Other income

	Consolidated 2026 $	Consolidated 2025 $
Other income	6,468	8,787
	6,468	8,787

Note 6. Gain on disposal of asset

	Consolidated	
	2026	**2025**
	$	**$**
Gain on disposal of asset	3,402,705	-
	3,402,705	-

On 30 June 2026, the Group completed the disposal of its Panel business assets to Working Capital Finance Pty Ltd, a third-party purchaser.

The transaction transferred the future commercial rights associated with the Panel business, including the related customer relationship intangible asset. Historical receivables outstanding at the completion date were retained by the Group and continue to be recognised and collected by the Group. Accordingly, those receivables were not included in the disposal.

Under the Share Sale Agreement, the total contractual purchase price was $4,100,000 less contractual adjustments, comprising cash consideration of $2,100,000 received on completion and deferred consideration of $1,974,350 (Note 10). In accordance with the Share Sale Agreement, the deferred consideration (pre-adjustment) has been settled post year end. The deferred consideration is subject to adjustment based on the gross revenue generated by the Panel business during the twelve-month period following completion and is to be determined by 30 July 2027.

At 30 June 2026, the Group assessed that no reduction in the purchase price was expected under the contractual purchase price adjustment mechanism. Accordingly, the Group recognised a gain on disposal of $3,402,705 (2025: nil) during the year.

Note 7. Expenses

	Consolidated 2026 $	Consolidated 2025 $
Loss before income tax includes the following specific expenses:		
Amortisation		
Customer list	258,497	251,580
Total amortisation	258,497	251,580
Finance costs		
Interest and finance expenses paid/payable	9,606,269	6,481,659
Unwinding of transaction costs	901,533	-
Amortisation of facility lender options	116,667	1,720,616
Finance costs expensed	10,624,469	8,202,275
Superannuation expense		
Defined contribution superannuation expense	284,563	273,551
Other expenses		
Bad debts	3,516,334	1,465,660
Allowances for expected credit losses	-	-
Professional fees	525,174	371,872
Insurance	163,606	148,829
Legal fees	916,332	483,941
Sundry expense	134,656	172,798
Bank charges	172,192	233,975
Commission	2,095,266	1,396,099
	7,523,560	4,273,174

Note 8. Income tax benefit

	Consolidated 2026 $	Consolidated 2025 $
Income tax benefit		
Current tax	(149,220)	39,541
Deferred tax - origination and reversal of temporary differences	74,349	(19,742)
Aggregate income tax expense/(benefit)	(74,871)	19,799
Deferred tax included in income tax benefit comprises:		
(Decrease)/Increase in deferred tax assets (Note 15)	74,349	(19,742)
Decrease in deferred tax liabilities	-	-
Deferred tax - origination and reversal of temporary differences	74,349	(19,742)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(3,902,101)	(2,641,759)
Tax at the statutory tax rate of 25% (2025: 25%)	(975,525)	(660,440)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	(78,004)	(76,791)

Note 8. Income tax benefit (continued)

Other non-deductible expenses	(239,200)	152,860
Other non-assessable income	-	-
Difference in tax rate	(1,181)	(485)
Change in statutory tax rate	-	-
Amount over provided in prior years	-	-
Deferred tax assets derecognised/(recognised) (Note 15)	1,219,039	604,655
Income tax expense/(benefit)	(74,871)	19,799

Note 9. Current assets – cash and cash equivalents

	Consolidated	
	2026 $	2025 $
Cash on hand	1,188	1,201
Cash at bank	13,225,136	16,305,807
Cash on deposit	21,790	8,922
	13,248,114	16,315,930

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

Balances as above	13,248,114	16,315,930
Bank facilities (Note 17)	(187,952)	(224,092)
Balance as per statement of cash flows	13,060,162	16,091,838

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.

Restricted cash represents cash held by the entity that has a specific usage purpose as required by the funding arrangements described in Note 17. Restricted cash is combined for the purpose of presentation in the statement of balance sheet and the statement of cash flows. As at 30 June 2026, $1,320,345 (2025: $0) of the cash and cash equivalents disclosed above is classified as restricted and can only be used to fund trade receivables.

Note 10. Current assets – trade and other receivables

	Consolidated	
	2026 $	2025 $
Trade receivables	79,580,314	87,744,452
Less: Allowance for expected credit losses	(2,600,000)	(4,000,000)
	76,980,314	83,744,452
Deferred Consideration Receivable (Note 6)	1,974,350	-
BAS receivable	33,706	137,626
	78,988,370	83,882,078

Note 10. Current assets - trade and other receivables (continued)

Trade receivables are generally settled on terms of between 30 and 90 days. Client credit risk is influenced by individual debtors with the majority being 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.

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	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**
Consolidated	$	$	%	%	$	$
0 - 90 days	75,753,697	79,193,669	0.51%	1.24%	387,909	982,284
91 - 120 days	439,383	4,778,906	15.00%	15.00%	65,907	716,836
121 - 150 days	1,124,400	2,302,997	50.00%	50.00%	562,200	1,151,499
150+ days	2,262,834	1,468,880	70.00%	78.25%	1,583,984	1,149,381
	79,580,314	87,744,452			2,600,000	4,000,000

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

	Consolidated	
	2026	**2025**
	$	**$**
Opening balance	4,000,000	4,000,000
Transfer to loan receivable (Note 13)	(1,400,000)	-
Release of provision	-	-
Additional provision recognised	-	-
Closing balance	2,600,000	4,000,000

Note 11. Current assets – financial assets

	Consolidated	
	2026	**2025**
	$	**$**
Investment – Eldium Income Fund	2,000,000	4,000,000
Investment – Moneybox Credit Fund	50,000	-
	2,050,000	4,000,000

The Group redeemed $2,000,000 from the Eldium Income Fund on 30 June 2026. The investment earns interest at 9.00% per annum.

In June 2026 the Group provided seed capital for the Moneybox Credit Fund. The carrying value at 30 June 2026 was $50,000 (2025: nil).

These financial assets are measured at fair value through profit or loss in accordance with AASB 9 Financial Instruments.

Note 12. Current assets – other

	Consolidated 2026 $	Consolidated 2025 $
Prepayments	37,418	51,207
Deferred costs - borrowings	236,233	689,982
	273,651	741,189

Note 13. Non-current assets – loan receivable

	Consolidated 2026 $	Consolidated 2025 $
Loan receivable	4,199,341	-
Less: Allowance for expected credit losses	(1,400,000)	-
	2,799,341	-

During the year, an existing trade receivable balance was converted into a loan receivable with a three-year term, maturing on 17 December 2028. The loan accrues interest at 10% per annum, with principal and accrued interest payable at maturity.

As at 30 June 2026, the loan receivable, including accrued interest, was $4,199,341.

An allowance for expected credit losses of $1,400,000 has been recognised against the loan receivable at 30 June 2026.

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

	Consolidated 2026 $	Consolidated 2025 $
Opening balance	-	-
Transfer from trade receivables (Note 10)	1,400,000	-
Release of provision	-	-
Additional provision recognised	-	-
Closing balance	1,400,000	-

Note 14. Non-current assets – intangibles

	Consolidated 2026 $	Consolidated 2025 $
Customer list - at cost	2,881,199	2,798,461
Less: Accumulated amortisation	(2,182,005)	(1,923,508)
Less: Disposals (Note 6)	(699,194)	-
	-	874,953
Intellectual property - at cost	1,166,458	576,105
Less: Accumulated amortisation	-	-
Less: R&D offset	(478,631)	(333,900)
	687,827	242,205
License - at cost	138,852	138,852
	826,679	1,256,010

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

Consolidated	Intellectual property $	Customer list $	License $	Total $
Balance at 1 July 2025	242,205	874,953	138,852	1,256,010
Additions	590,353	82,738	-	673,091
R&D offset	(144,731)	-	-	(144,731)
Amortisation expense	-	(258,497)	-	(258,497)
Disposals (Note 6)	-	(699,194)	-	(699,194)
Balance at 30 June 2026	687,827	-	138,852	826,679

Note 15. Non-current assets – deferred tax

	Consolidated 2026 $	Consolidated 2025 $
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	6,972,445	5,915,952
Employee benefits	232,899	234,660
Cost of raising equity	64,566	192,482
Provision for doubtful debts	1,000,000	1,000,000
Accrued expenses	33,750	45,625
Deferred tax asset not recognised	(6,887,118)	(6,046,526)
Deferred tax asset	1,416,542	1,342,193
Movements:		
Opening balance	1,342,193	1,361,935
Credited/(Debited) to profit or loss (Note 8)	74,349	(19,742)
Closing balance	1,416,542	1,342,193

Note 15. Non-current assets - deferred tax (continued)

The Group has unrecognised carried forward tax losses of $27,510,433 (2025: $24,134,899), which are subject to meeting the carry forward tax loss rules in the year of utilisation. The deferred tax asset in respect of these losses has not been recognised until it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Note 16. Current liabilities – trade, accruals and other payables

	Consolidated	
	2026	2025
	$	$
Trade and other payables	296,681	699,298
Accrued expenses	178,435	197,169
Accrued interest	2,048,945	1,651,257
	2,524,061	2,547,724

Note 17. Current liabilities – borrowings

	Consolidated	
	2026	2025
	$	$
Bank facilities	187,952	224,092
Loan - AMAL Trustees Pty Ltd (AFC 2019-1 Trust) – Class A	-	61,694,000
Loan - AMAL Trustees Pty Ltd (AFC 2019-1 Trust) – Class B	-	8,232,000
Loan - AMAL Trustees Pty Ltd (AFC 2022-1 Trust) – Class A	-	10,091,370
Loan - AMAL Trustees Pty Ltd (AFC 2022-1 Trust) – Class B	-	1,187,220
Credit Facility - Mighty Partners	8,000,000	9,575,000
Moneybox Credit Fund	100,000	-
	8,287,952	91,003,682

Credit Facility – Mighty Partners

On 30 June 2025, the Group entered into a $10.0 million secured corporate credit facility with Mighty Partners. The facility bears interest at a fixed rate of 13.5% per annum and is secured by a first-ranking fixed and floating charge over all present and future assets and undertakings of the Group.

Prior to 30 June 2026, the parties executed an amendment to the facility agreement extending the maturity date from 30 June 2026 to 31 August 2026, with a phased repayment schedule. At the date of signing of this financial report, the outstanding balance due on the credit facility with Mighty Partners amounted to $2.0 million.

As at the date of this report, the Group was in compliance with all applicable debt covenants.

Moneybox Credit Fund

The Group, through Butn Moneybox SPV Pty Ltd, has entered into a funding arrangement with the Moneybox Credit Fund to provide capital for the origination of lending assets consistent with the Fund's investment mandate.

Funds advanced by the Moneybox Credit Fund are recognised as borrowings and are used solely to fund lending activities undertaken by Butn Moneybox SPV Pty Ltd.

Interest payable under the arrangement reflects the returns generated by the underlying lending assets and is remitted to the Fund in accordance with the terms of the facility.

Note 17. Current liabilities - borrowings (continued)

Transaction costs directly attributable to establishing the funding arrangement are capitalised and amortised through the Statement of profit or loss and other comprehensive income over the expected life of the facility.

Note 18. Non-current liabilities – borrowings

	Consolidated	
	2026	**2025**
	$	**$**
Syndicated Facility A – Northleaf Capital Partners	73,618,616	-
Syndicated Facility B – Northleaf Capital Partners	1,963,163	-
	75,581,779	-

Syndicated Facility – Northleaf Capital Partners

On 1 July 2025, the Group entered into a syndicated facility agreement with Northleaf Capital Partners (Canada) Ltd as lead arranger, providing $100 million of Australian dollar, floating rate debt funding. The facility initially comprised $75 million Facility A and $25 million Facility B, each with a four-year maturity to 24 June 2029.

This new Facility enabled the full redemption of Butn's previous corporate notes program across the AFC 2019-1 and AFC 2022-1 Trusts. The AFC 2019-1 Trust matured on 1 July 2025, and the Group elected to early-repay the AFC 2022-1 Trust on the same date with no penalty.

Subsequent to year end, the syndicated facility was amended, reducing the total facility limit to $77 million. As at the date of this report, the facility was fully drawn.

The syndicated facility is secured against the funded trade receivables. The carrying amounts disclosed above are presented net of unamortised transaction costs, which are amortised over the term of the syndicated facility. As at the date of this report, the Group was in compliance with all applicable debt covenants.

Note 19. Equity – issued capital

	Consolidated			
	2026	**2025**	**2026**	**2025**
	Shares	**Shares**	**$**	**$**
Ordinary shares – fully paid	349,180,712	279,344,570	46,365,754	39,767,239
Issue of shares – Institutional placements	30,413,858	69,836,142	3,041,386	6,983,614
Issue of shares – conversion of performance rights	625,000	-	39,400	-
Cancellation of shares – unmarketable parcels	(1,185,630)	-	(153,195)	-
Issue of shares – Directors and EIP	2,358,000	-	198,300	-
Transaction costs associated with equity issue	-	-	(212,127)	(385,099)
	381,391,940	349,180,712	49,279,518	46,365,754

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.

During the financial year, the Company completed the second tranche of the institutional placement announced in June 2025, issuing 30,413,858 ordinary shares at an issue price of $0.10 per share and raising gross proceeds of $3,041,386.

Note 19. Equity – issued capital (continued)

During the financial year, the Company issued 483,000 ordinary shares under the Employee Incentive Plan and 625,000 ordinary shares following the vesting and conversion of performance rights issued under the plan. All shares issued rank equally with existing ordinary shares.

Following shareholder approval at the Annual General Meeting, the Company issued 1,875,000 ordinary shares to Directors. The shares were issued for nil cash consideration and were recognised at a fair value of $150,000. The shares rank equally with existing ordinary shares.

During the financial year, the Company completed an unmarketable parcel sale facility, resulting in the cancellation of 1,185,630 ordinary shares and a reduction in issued capital of $153,195.

Note 20. Equity – reserves

	Consolidated	
	2026 $	2025 $
Capital reconstruction reserve	(548,149)	(548,149)
Share-based payments reserve	2,256,882	2,130,456
	1,708,733	1,582,307

Capital reconstruction reserve
On 9 September 2020, the Group undertook an internal corporate restructure whereby the shareholders in Action Funding Group Pty Ltd exchanged their shares in that company for shares in Butn Limited in a “top hat restructure”. This resulted in Butn Limited becoming the legal parent of the Group. The restructure has been accounted for as capital reorganisation and not a business combination. A capital reconstruction reserve is recognised to record the accumulated loss position as at the date of group restructure.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 21. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed.

The total carrying amount of the Group's financial assets and liabilities by category are detailed below:

	Consolidated	
	2026	**2025**
	$	**$**
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	13,248,114	16,315,930
Trade and other receivables	78,988,370	83,882,078
Loan receivable	2,799,341	-
Total financial assets at amortised cost	95,035,825	100,198,008
Financial assets at fair value		
Investment – Eldium Income Fund	2,000,000	4,000,000
Investment – Moneybox Credit Fund	50,000	-
Total financial assets at fair value	2,500,000	4,000,000
Total financial assets	97,085,825	104,198,008
Financial liabilities at amortised cost		
Trade, accruals and other payables (Note 16)	2,524,061	2,547,724
Borrowings (Note 17 & Note 18)	83,869,731	91,003,682
Total financial liabilities	86,393,792	93,551,406

Fair value measurement — unlisted investments
The Group's investments in the Eldium Income Fund and Moneybox Credit Fund (Note 11) are classified as financial assets at fair value through profit or loss, fair valued by reference to the net asset value reported by each fund's manager. As the underlying assets of each fund are unlisted and not traded in an active market, these investments are classified as Level 3 in the fair value hierarchy. Given the carrying value of these investments is not material to the consolidated financial statements, no significant judgement is applied by the Group beyond adopting the reported NAV, and no reconciliation or sensitivity disclosure has been presented on materiality grounds.

Market risk

Foreign currency risk
The consolidated entity principally undertakes its operations in Australia and does not face material foreign currency exposures.

Price risk
The consolidated entity establishes client pricing before transacting, with a relatively short period to transaction completion. As such the consolidated entity does not face material price risk.

Interest rate risk
The Group's main interest rate risk arises from its syndicated borrowing facilities disclosed in Note 18, which bear interest at floating rates linked to the 3-month BBSY. The Mighty Partners credit facility bears interest at a fixed rate and is therefore not exposed to interest rate risk.

Note 21. Financial instruments (continued)

A 1.00% increase in the 3-month BBSY would have increased the interest expense (based on the level of borrowings at the end of the period) by $767,890.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees and security where appropriate to mitigate credit risk, as well as holding retention amounts and or insurance coverage for client balances over a pre-determined dollar threshold. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions of those assets, as disclosed in the Statement of financial position and Notes to the financial statements.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables. These provisions are considered representative across all clients of the consolidated entity based on sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity, failure to make contractual payments for a period greater than 12 months and / or no further recourse options to the underlying client.

The consolidated entity's main credit risk arises from trade receivables and loan receivable, as set out in Notes 10 and 13.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and bank facilities. The following tables detail the consolidated entity's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables reflect cash flows as remaining contractual maturities and therefore these totals may differ from their carrying amounts in the statement of financial position.

Consolidated - 2026	Less 3 months $	Between 3 - 12 months $	Between +1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Financial liabilities					
Trade, accruals and other payables (Note 16)	2,524,061	-	-	-	2,524,061
Borrowings (Note 17 & Note 18)	8,287,952	-	77,000,000	-	85,287,952
Total financial liabilities	10,812,013	-	77,000,000	-	87,812,013

Consolidated - 2025	Less 3 months $	Between 3 - 12 months $	Between +1 and 5 years $	Over 5 years $	Remaining contractual maturities $
Financial liabilities					
Trade, accruals and other payables (Note 16)	2,547,724	-	-	-	2,547,724
Borrowings (Note 17 & Note 18)	81,550,092	10,000,000	-	-	91,550,092
Total financial liabilities	84,097,816	10,000,000	-	-	94,097,816

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the Statement of financial position, plus net debt. Net debt is calculated

Note 21. Financial instruments (continued)

as total borrowings less cash and cash equivalents.

Note 22. 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 23. 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 24. Key management personnel (KMP) disclosures

Compensation
The aggregate compensation made to directors and other members of KMP of the consolidated entity is set out below:

	Consolidated	
	2026	**2025**
	$	**$**
Short-term employee benefits	883,599	703,633
Post-employment benefits	57,155	62,790
Long-term benefits	35,378	24,606
Share-based payments	150,000	28,478
	1,126,132	819,507

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	Consolidated	
	2026	**2025**
	$	**$**
Audit services -		
Audit and review of the financial statements	95,841	109,476
Other services -		
Preparation of the tax return	21,560	10,230
Other non-audit services	13,932	16,450

Note 26. Earnings per share

	Consolidated	
	2026	**2025**
	$	**$**
Loss after income tax attributable to the owners of Butn Limited	(3,827,230)	(2,661,558)

Note 26. Earnings per share (continued)

	Consolidated 2026	Consolidated 2025
Weighted average number of ordinary shares used in calculating basic loss per share	377,838,513	280,683,893

	Consolidated 2026 $	Consolidated 2025 $
Basic loss per share (dollars)	(0.01)	(0.01)
Diluted loss per share (dollars)	(0.01)	(0.01)

On the basis of the Group's losses, the outstanding options are considered to be anti-dilutive and were therefore excluded from diluted weighted average number of ordinary shares.

Note 27. Contingent liabilities

The consolidated entity has no contingent liabilities as at 30 June 2026 (2025: nil).

Note 28. Commitments

	Consolidated 2026 $	Consolidated 2025 $
Lease commitments		
No later than 12 months:		
Short term	27,844	24,060
	27,844	24,060

The consolidated entity has no other commitments as at 30 June 2026.

Note 29. Related party transactions

Parent entity
Butn Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 3.

KMP
Disclosures relating to KMP are set out in Note 24.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

Note 29. Related party transactions (continued)

	Consolidated	
	2026 $	2025 $
Moneybox Credit Fund (Note 17)	100,000	-

During the year, a wholly owned subsidiary of the Group invested $50,000 in units of the Moneybox Credit Fund as seed capital to support the establishment of the Fund.

The Group also receives funding from the Moneybox Credit Fund through Butn Moneybox SPV Pty Ltd, which uses the funds to originate lending assets in accordance with the Fund's investment strategy. As at 30 June 2026, borrowings from the Moneybox Credit Fund totalled $100,000.

The Moneybox Credit Fund is managed by Cache Investment Management Limited as responsible entity. Butn Moneybox Investment Management Pty Ltd acts as investment manager to the Fund and may earn performance fees based on the Fund's investment performance.

All transactions with related parties were made on commercial terms and conditions.

Balances and transactions between the company and its subsidiaries have been eliminated on consolidation.

Note 30. Parent entity information

	Parent	
	2026 $	2025 $
Statement of profit or loss and other comprehensive income		
Profit/(Loss) after income tax	(3,601,060)	(2,561,168)
Total comprehensive income/(loss)	(3,601,060)	(2,561,168)
Statement of financial position		
Total current assets	11,456,076	12,143,369
Total non-current assets	-	-
Total assets	11,456,076	12,143,369
Total current liabilities	-	-
Total liabilities	-	-
Equity		
Issued capital	49,279,518	46,365,751
Accumulated losses	(37,823,442)	(34,222,382)
Total equity	11,456,076	12,143,369

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2026 (2025: nil).

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 (2025: nil).

Note 30. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1.

Note 31. Events after the reporting period

Subsequent to year end, the Group and Northleaf Capital Partners (Canada) Ltd agreed to amend the syndicated facility agreement, reducing the total facility limit from $100 million to $77 million. As at the date of this report, the amended facility was fully drawn, as disclosed in Note 18.

No other matter or circumstance has arisen since 30 June 2026 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.

Note 32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2026	**2025**
	$	**$**
Loss after income tax expense/benefit for the year	(3,827,230)	(2,661,558)
Adjustments for:		
Depreciation and amortisation	258,497	251,580
Foreign exchange differences	2,322	(257)
Share based payments expense	247,460	100,390
Gain on disposal of asset	(3,402,705)	-
Non-cash finance expenses	1,253,610	1,720,616
Expected credit losses	-	-
Bad debts	3,516,334	1,465,660
Income tax expense/(benefit)	(74,871)	19,799
R&D rebate capitalised to asset	144,731	333,900
Change in operating assets and liabilities:		
Increase/(decrease) in deferred revenue	(62,625)	210,146
Increase/(decrease) in accrued expenses	378,955	74,154
Increase/(decrease) in trade and other payables	(402,618)	528,592
Increase/(decrease) in provision for income tax	-	(74)
Increase/(decrease) in employee benefits	(27,172)	145,223
Decrease/(increase) in other receivables	410,794	(465,068)
Decrease/(increase) in deferred tax assets	(74,348)	19,742
Net cash from / (used in) operating activities	(1,658,866)	1,742,845

Note 33. Share-based payments

In September 2020, The Group adopted the Employee Incentive Plan (EIP) to provide ongoing incentives to full time or part time employees of the company or any of its subsidiaries (including a director or company secretary of the company or its subsidiaries), or a consultant, who is determined by the Board to be eligible.

A new Employee Incentive Plan (New EIP) was adopted by the Group in November 2022 to provide long term incentives for senior managers and staff to deliver shareholder value and to act as a key retention tool.

33. Share-based payments (continued)

(a) Employee Incentive Plan (EIP)

In 2021, a total of 6,818,750 options were issued for nil consideration at an exercise price of $0.50 and an expiry date of 5 years after the grant date if not exercised. The options vested in three equal tranches and were subject to the option holder remaining in employment by the company through to each vesting date. There are no performance conditions attached to the options. The first tranche vested on 6 July 2021, the date the company listed, the second tranche vested on 6 July 2022 and the third tranche vesting on 6 July 2023. Set out below are details of the options granted under the EIP:

2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
08/01/2021	08/01/2026	$0.50	3,958,330	-	-	3,958,330	-
26/02/2021	26/02/2026	$0.50	2,600,000	-	-	2,600,000	-
			6,558,330	-	-	6,558,330	-

Weighted average exercise price $0.50

There were no options outstanding at 30 June 2026 (2025: 0.58 years).

b) Senior Managers and Staff Options

On 27 January 2023 the company issued 6,073,000 options for nil consideration, to convert on a 1:1 basis with ordinary shares and an expiry date of four years. The options are subject to the following vesting periods and exercise prices set at a premium to the share price at grant:

Tranches	Exercise price	Vesting
Tranche 1 - 1,667,000 options	$0.225	On grant date
Tranche 2 - 1,740,000 options	$0.225	12 months after grant
Tranche 3 - 1,334,000 options	$0.255	12 months after grant
Tranche 4 - 1,332,000 options	$0.270	24 months after grant

Set out below are details of the options granted to the company's senior managers and staff:

2026

	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Tranche 1	27/01/2027	$0.225	1,667,000	-	-	-	1,667,000
Tranche 2	27/01/2027	$0.225	1,110,000	-	-	-	1,110,000
Tranche 3	27/01/2027	$0.255	1,334,000	-	-	-	1,334,000
Tranche 4	27/01/2027	$0.270	1,101,870	-	-	-	1,101,870
			5,212,870	-	-	-	5,212,870

Weighted average exercise price $0.24

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.58 years (2025: 1.58 years). To determine the fair value of the options granted a Black Scholes option pricing model was used, with the following inputs:

	Expiry period	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
Tranche 1	4 years	$0.225	90.00%	0.00%	3.60%	$0.080
Tranche 2	4 years	$0.225	90.00%	0.00%	3.60%	$0.080
Tranche 3	4 years	$0.255	90.00%	0.00%	3.60%	$0.076
Tranche 4	4 years	$0.270	90.00%	0.00%	3.60%	$0.075

33. Share-based payments (continued)

(c) Staff Performance Rights

In September and October 2024, the company issued a combined 1,200,000 performance rights for nil consideration, to convert on a 1:1 basis with ordinary shares subject to continued employment. The performance rights are subject to the following vesting periods:

Grant Date	Tranches	Vesting
26/09/2024	Tranche 1 - 325,000 performance rights	01/07/2025
26/09/2024	Tranche 2 - 325,000 performance rights	01/07/2026
26/09/2024	Tranche 3 - 250,000 performance rights	01/07/2027
15/10/2024	Tranche 4 - 300,000 performance rights	15/10/2025

2026

	Grant date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Tranche 1	26/09/2024	325,000	-	325,000	-	-
Tranche 2	26/09/2024	325,000	-	-	-	325,000
Tranche 3	26/09/2024	250,000	-	-	-	250,000
Tranche 4	15/10/2024	300,000	-	300,000	-	-
		1,200,000	-	625,000	-	575,000

The weighted average fair value of performance rights granted in the period was $0.064.

(d) Director Options

On 14 November 2024, under the New EIP, the company issued 7,250,000 options for nil consideration, to convert on a 1:1 basis with ordinary shares and an expiry date of four years. Other than 250,000 options which vested on the grant date, the remaining 7,000,000 options vest based on the Company's TSR and continued employment over the vesting period whereby the recipient becomes beneficially entitled to the option. Options can be exercised by the holder from the vesting date:

Butn's TSR over Vesting Period	Number of Options That Vest
50%	1,166,667
60%	2,333,333
70%	3,500,000

Set out below are details of the options granted to the company's directors:

2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/11/2024	14/11/2028	$0.08	7,250,000	-	-	1,750,000	5,500,000

Weighted average exercise price		$0.08

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.38 years (2025: 3.38 years). To determine the fair value of the options granted a Black Scholes option pricing model was used, with the following inputs:

33. Share-based payments (continued)

	Expiry period	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
7,000,000 Options	4 years	$0.08	67.00%	0.00%	3.60%	$0.014
250,000 Options	4 years	$0.08	67.00%	0.00%	3.60%	$0.029

(e) Mighty Partners Options

In August 2025, following shareholder approval at an Extraordinary General Meeting, the Group issued 8,333,333 options to Mighty Partners as compensation for the establishment costs of the $10 million corporate credit facility. The options vested on grant date, have an exercise price of $0.12, convert on a 1:1 basis with ordinary shares and an expiry date of three years.

2026

Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/08/2028	$0.12	-	8,333,333	-	-	8,333,333

Weighted average exercise price $0.12

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.09 years. To determine the fair value of the options granted a Black Scholes option pricing model was used, with the following inputs:

Expiry period	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
3 years	$0.12	63.00%	0.00%	3.64%	$0.014

(f) Consultant Options

On 25 August 2025 the Group issued 500,000 options as payment for consulting services provided to the company, for nil consideration. The options vested on grant date, have an exercise price of $0.12, convert on a 1:1 basis with ordinary shares and an expiry date of three years.

2026

Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/08/2028	$0.12	-	500,000	-	-	500,000

Weighted average exercise price $0.12

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.16 years. To determine the fair value of the options granted a Black Scholes option pricing model was used, with the following inputs:

Expiry period	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
3 years	$0.12	72.00%	0.00%	3.56%	$0.036

33. Share-based payments (continued)

(g) Staff Performance Rights and Shares

During the financial year, the Company issued 483,000 ordinary shares for nil consideration to employees following the achievement of specified KPIs. The fair value of the shares issued was determined by reference to the market price of the Company's shares on the grant date

During the financial year, the Company also granted 471,687 performance rights for nil consideration. The performance rights convert on a one-for-one basis into ordinary shares and are subject to continued employment and the achievement of specified KPIs. The performance rights vest on 31 December 2026.

2026

Grant date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
26/02/2026	-	471,687	-	45,000	426,687

The weighted average fair value of performance rights granted in the period was $0.08.

Set out below is a list of entities that are consolidated in this set of Consolidated financial statements at the end of the financial year.

Name of entity	Type of entity	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign tax jurisdiction (if applicable)
Butn IP Pty Ltd	Body corporate	100.00%	Australia	Australian	n/a
Australian Factoring Company Pty Ltd	Body corporate	100.00%	Australia	Australian	n/a
Action Funding Pty Ltd	Body corporate	100.00%	Australia	Australian	n/a
Faultless Recovery Services Pty Ltd	Body corporate	100.00%	Australia	Australian	n/a
Smith Finance Pty Ltd	Body corporate	100.00%	Australia	Australian	n/a
Butn Agri Pty Ltd	Body corporate	50.00%	Australia	Australian	n/a
Butn SPV Pty Ltd	Body corporate	100.00%	Australia	Australian	n/a
Butn Moneybox SPV Pty Ltd	Body corporate	100.00%	Australia	Australian	n/a
Moneybox IM Pty Ltd	Body corporate	100.00%	Australia	Australian	n/a
NZ Factoring Company Ltd	Body corporate	100.00%	New Zealand	Foreign	New Zealand

Basis of preparation
The consolidated entity disclosure statement has been prepared in accordance with the Corporations Act 2001, includes information for each entity that was part of the consolidated entity as at 30 June 2026 and has regard to the Australian Taxation Office's Practical Compliance Guidance 2018/9.

Determination of tax residency
Section 295(3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted and which could give risk to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency
The consolidated entity has applied the current legislation and guidance, including having regard to the Australian Taxation Office's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency
The consolidated entity has applied current legislation and where available, relevant revenue authority guidance in the determination of foreign tax residency.

Partnership and trusts in Australia
Australian tax law generally does not contain corresponding residency tests for partnerships and trusts and these entities are typically taxed on a flow-through basis.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, including the interpretations, and the Corporations Regulations 2001;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- the attached consolidated entity disclosure statement is true and correct as at 30 June 2026; 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Cameron Petricevic Director	Rael Ross Director

Date: 25 August 2026

BUTN LIMITED
ABN 42 644 182 883

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUTN LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Butn Limited ('the Company') and its subsidiaries (collectively, 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001,* including:

a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2026. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Recognition of revenue We focused our audit effort on the accuracy and occurrence of revenue as it represents the most significant driver of the Group's financial performance. For the year ended 30 June 2026, the Group had generated revenue of $15.3 million. Revenue recognition is significant to our audit as the Group may incorrectly account for fees and interest potentially leading to inappropriate revenue recognition. There are a significant number of contracts, with terms that vary on a contract-by-contract basis, which the Group may incorrectly account for resulting in the inappropriate recognition of revenue.	Our procedures included, but were not limited to: • Understanding and assessing the appropriateness of the Company's revenue recognition accounting policies and compliance with AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments*. • Obtaining an understanding of management's processes and controls surrounding revenue recognition and billing. • Performing detailed analytical procedures and investigation. • Performing revenue cut-off testing at year end. • Vouching a sample of revenue transactions to supporting documents (including contracts and bank statements) to confirm existence and accuracy of the revenue recognition. • Reviewing the adequacy of disclosures for compliance in accordance with the Australian Accounting Standards.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Provision of expected credit losses on trade receivables We focused our audit effort on the existence and recoverability of the Group's trade receivables as they represent the largest assets and most significant driver of the Group's Net Assets. As at 30 June 2026 the Group had trade receivables of $79 million. The Group's receivables require a provision for expected credit losses ("ECL") in accordance with AASB 9 *Financial Instruments*. The existence and valuation of the trade receivables is a key audit matter due to the significant judgements used within the ECL model and the inherent estimation uncertainty in its determination.	Our procedures included, but were not limited to: • Obtaining an understanding of management's methodology for determining the provision for the allowance for expected credit losses. • Selecting a sample of receivable balances and assess balance recoverability to subsequent payments of debtors. • Assessing the accuracy of management's impairment assumptions and estimates, including loss rates, compared to actual results. • Assessing the appropriateness of the Company's impairment methodology against the requirements of relevant financial reporting standards. • Reviewing the adequacy of disclosures for compliance in accordance with the Australian Accounting Standards.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter

Borrowings and compliance with debt covenants
 	
The Group's borrowings represent one of the largest liability classes in the financial statements, comprising the newly established \$77.0 million syndicated facility with Northleaf Capital Partners (Note 18) and the \$8.0 million Mighty Partners credit facility (Note 17).
 	
During the year, the Group refinanced its entire legacy corporate note program through a new \$100 million syndicated facility with Northleaf Capital Partners, comprising Facility A and Facility B at floating rates of interest. Separately, the Mighty Partners facility was amended during the year to extend its maturity date and introduce a revised repayment schedule. Subsequent to year end, the Northleaf facility was further amended, reducing the total facility limit to \$77 million, with the facility fully drawn at the date of this report.
 	
This is a key audit matter because:
• Significant judgement was required in determining the appropriate accounting for transaction costs and their amortisation over the term of the facilities, including consideration of the effective interest method under AASB 9 Financial Instruments.
• The syndicated facility bears interest at a floating rate with a defined reference rate and margin mechanism, requiring judgement in confirming the applicable rate basis.
• Both facilities are subject to financial covenants (including debt service cover ratio, portfolio coverage, borrowing base and minimum net worth/liquidity tests) that must be assessed for compliance at each reporting date, drawing on definitions specific to each facility agreement.
• The Mighty Partners facility includes mechanisms under which the applicable interest rate may vary based on the Group's dealings with a related investment held as a condition of the facility (Note 11), requiring careful assessment of whether the contractual rate applied throughout the year remained appropriate.
• The classification of borrowings as current or non-current required judgement having regard to the terms of each facility and events occurring after year end.
	Our procedures included, but were not limited to:
	
	• Understanding and assessing the appropriateness of the Group's accounting policies for debt financing and compliance with relevant standards, including AASB 9 *Financial Instruments*, AASB 132 *Financial Instruments: Presentation* and AASB 7 *Financial Instruments: Disclosures*.
	• Obtaining an understanding of management's processes and controls surrounding recognition, measurement and monitoring of borrowings, including interest calculations and covenant compliance.
	• Vouching a sample of debt financing transactions (including loan drawdowns, repayments, and interest payments, if applicable) to supporting documentation (including loan agreements, amortisation schedules, and bank statements).
	• Assessing the appropriateness of:
	  o Initial recognition (including treatment of transaction costs)
	  o Subsequent measurement (including application of the effective interest method)
	  o Classification between current and non-current liabilities
	• Reviewing any loan modifications, refinancing, or covenant breaches and assess the accounting treatment and disclosure.
	• Obtaining and reviewing loan confirmation letters from lenders to confirm the existence and accuracy of borrowings as at year end.
	• Reviewing the adequacy and completeness of disclosures for compliance with Australian Accounting Standards, including terms of borrowings, interest rates, maturity profile, and covenant requirements.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Disposal of Panel business assets and associated gain recognition As disclosed in Note 6 to the financial statements, during the year the Group completed the disposal of certain non-core assets for total consideration of $4.1 million less contractual adjustments and recognised a gain on disposal of $3.4 million. The asset disposal represented a significant transaction for the Group and involved management judgement in determining the appropriate accounting treatment under Australian Accounting Standards. Specifically, judgement was required in determining the carrying value of the assets disposed of, the timing of derecognition and the calculation of the resulting gain recognised in profit or loss. Given the significance of the transaction to the Group's financial performance for the year, we considered this matter to be a key audit matter.	Our procedures included, but were not limited to: • Obtaining an understanding of the disposal transaction and reviewing the relevant sale agreements and supporting transaction documentation. • Assessing whether management's accounting treatment was consistent with the requirements of the Australian Accounting Standards. • Evaluating the appropriateness of the disposal date used for recognition of the transaction by reference to the contractual terms and executed documentation. • Testing the carrying value of the assets disposed of to the underlying accounting records and supporting documentation. • Assessing the completeness and accuracy of consideration received, including agreeing amounts to settlement statements, bank receipts and executed agreements. • Recalculating the gain on disposal recognised by management and assessing the mathematical accuracy of the underlying calculations. • Considering whether deferred consideration arising from the disposal transaction had been appropriately recognised and disclosed. • Assessing the adequacy of the disclosures included in the financial statements.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor’s report is included in the annual report for the year ended 30 June 2026, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal controls as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 7 to 12 of the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Butn Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of Butn Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick Melbourne Audit
Level 14 440 Collins Street
Melbourne VIC 3000

Anh (Steven) Nguyen
Registered Company Auditor
Partner

Date: 26 August 2026

The shareholder information set out below was applicable as at 14 August 2026.

	Ordinary shares		
	Number of holders	Number held	% of total shares
1 to 1,000	14	1,763	3.61
1,001 to 5,000	32	95,770	8.25
5,001 to 10,000	29	263,907	7.47
10,001 to 100,000	200	8,169,674	51.55
100,001 and over	113	373,185,826	29.12
	388	381,716,940	100.00

The number of shareholders holding less than a marketable parcel of shares was nil.

Equity security holders

Twenty largest holders of ordinary shares

	Ordinary shares	
	Number held	% of total shares
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	118,456,018	31.03
WHY K PTY LTD	40,350,706	10.57
WALRAP NOMINEES PTY LTD	39,004,549	10.22
MYOB INVEST CO PTY LTD	31,840,000	8.34
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,706,981	6.21
JAMBER INVESTMENTS PTY LTD	13,891,719	3.64
WARBONT NOMINEES PTY LTD	10,221,541	2.68
MR DYLAN RANDS	8,001,065	2.10
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	7,569,554	1.98
UBS NOMINEES PTY LTD	6,749,814	1.77
MR RICHARD AARON MICHAELS	5,625,000	1.47
CITICORP NOMINEES PTY LIMITED	4,868,413	1.28
WHEAP PTY LTD	3,884,364	1.02
MR ERNEST GEOFFREY ALBERS	3,500,925	0.92
NEWECONOMY COM AU NOMINEES PTY LIMITED	3,315,414	0.87
HELANT PTY LTD	2,920,000	0.76
MFA CAPITAL PTY LTD	2,500,000	0.65
TTOR PTY LTD	2,364,829	0.62
BUTTONWOOD NOMINEES PTY LTD	2,100,000	0.55
MR JONATHAN DAVID WINE	2,000,000	0.52
	332,870,892	87.20

Unquoted equity securities

	Number on issue	Number of holders
Options	19,546,203	26
Performance Rights	676,687	6

Substantial holders

	Ordinary shares Number held	% of total shares
REGAL FUNDS MANAGEMENT PTY LIMITED AND ITS ASSOCIATES	111,181,289	29.13
WHY K PTY LTD AND ITS ASSOCIATES	40,627,156	10.64
WALRAP NOMINEES PTY LTD AND ITS ASSOCIATES	39,333,905	10.30
MYOB INVEST CO PTY LTD	31,840,000	8.34
ACORN CAPITAL LIMITED	21,665,565	5.68

Voting rights

Ordinary shares
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.

Options
No voting rights.

Restricted securities

No restricted securities.