Butn Limited
ACN 644 182 883
Suite 22 / 3rd Floor
21-23 William St
Balaclava VIC 3183
www.butn.co

ASX Code: BTN

Melbourne, 2 July 2026
ASX ANNOUNCEMENT

Butn Sells Non-Core Smash Repair Factoring Business for $4.1 Million; Repayment and Extension of Corporate Debt Facility

Key Highlights

- Butn has executed a binding sale agreement with Working Capital Finance Pty Ltd ("WCF") for the sale of its Smash Repair Factoring Business ("Panel Business") for $4.1 million, representing approximately 2.5x Gross Revenue;
- The transaction includes $2.0 million received at Completion (30 June 2026), approximately $2.0 million of deferred consideration and $100,000 deposit already received;
- The Panel Business is considered non-core, contributed less than 15% of FY25 Gross Revenue - of lower margin product and represented less than 5% of FY25 Group Assets;
- Butn will provide WCF with a secured funding facility post-Completion, enabling Butn to continue generating secured interest income from the Panel receivables portfolio;
- The transaction simplifies Butn's operating model and sharpens its strategic focus on the technology-led finance platform, embedded funding partnerships and the Moneybox investment business;
- Following Completion, the parties intend to explore potential future opportunities;
- The Company has amended its Mighty Partners Corporate Credit Facility with an agreed phased repayment schedule.
- The phased repayment of the Corporate Debt and the sale of the Smash Repair business will reset Butn's cost base by over c.$1.5 million

MELBOURNE – Butn Limited (ASX: BTN) ("Butn" or the "Company") is pleased to announce it has executed a binding sale agreement with Working Capital Finance Pty Ltd ("WCF") for the sale of Butn's Panel Business, comprising the Company's smash repair factoring operations, including direct, third-party and commercial claims factoring.

The transaction represents a deliberate step in simplifying Butn's operating model and further focuses the Company on its core strategic priorities, being its technology-led finance platform, embedded funding partnerships and Moneybox investment business.

The Panel Business contributed less than 15% of FY25 Gross Revenue at lower margins, represented less than 5% of FY25 Group Assets and is considered non-core to Butn's long-term strategic direction.

Under the transaction structure, WCF will operate the Panel Business while Butn retains the opportunity to generate secured interest income through provision of funding to the business.

The transaction has a purchase price of up $4.1 million, representing approximately 2.5 times Gross Revenue.

The consideration comprises:

- $2.0 million received at Completion;
- approximately $2.0 million of deferred consideration, less applicable employee entitlement and transaction adjustments; and
- a deposit of $100,000 which has been received.

The deferred consideration is subject to an adjustment mechanism based on the Panel Business' Gross Revenue performance during the 12 months following Completion, with a minimum purchase price of $2.1 million.

Rael Ross, Founder, Executive Director and CEO of Butn, said:

> "The sale of our Panel Business to WCF is a considered step in Butn's evolution. As we continue to scale our technology platform, grow our embedded finance partnerships and build Moneybox, it became clear that the Panel Business would be best placed with a dedicated and focused owner.
>
> This transaction allows us to sharpen our strategic focus, simplify operations and redeploy management attention and resources towards our highest-conviction growth opportunities.
>
> Importantly, the transaction also enables Butn to retain an ongoing funding relationship and associated secured interest income through the provision of receivables funding to WCF. We are pleased to have found in WCF a capable acquirer and look forward to a smooth transition and exploring future opportunities together."

Following Completion, Butn will provide WCF with a secured funding facility for eligible receivables factoring. The facility will carry an interest rate of 3-month BBSW plus 8.5% per annum and have an initial term of 12 months, extendable by mutual agreement.

The funding arrangement enables Butn to continue generating secured interest income from the Panel receivables portfolio while significantly reducing operational complexity and servicing requirements associated with the business.

A summary of the key terms is outlined below:

Key Term	Details
Parties	Vendor: Butn Limited (or its relevant subsidiary) Purchaser: Working Capital Finance Pty Ltd
Purchase Price	Total consideration of \$4.1 million, subject to an adjustment mechanism based on Gross Revenue performance during the 12 months following Completion and a minimum purchase price of \$2.1 million. Consideration comprises \$2.0 million at Completion and approximately \$2.0 million deferred consideration (less employee entitlement and transaction adjustments), with \$100,000 deposit previously received.
Assets Included	Customer relationships, contracts, operational information, goodwill, intellectual property and certain employees associated with the Panel Business.
Funding Arrangement	Butn to provide WCF with a secured funding facility for eligible receivables post-Completion. Interest rate of 3-month BBSW plus 8.5% per annum with an initial 12-month term, extendable by mutual agreement.
Restrictive Covenants	Customary non-compete and non-solicitation arrangements relating solely to the Panel Business and Panel customers for a period of three years, subject to WCF not being in material contractual breach or default.
Future Opportunities	Following Completion, the parties intend to explore potential future opportunities, subject to commercial discussions.

Repayment and Extension of Corporate Debt Facility

Butn has decided, following the sale of the Smash Repair business, to reduce its corporate debt and ongoing interest expense. The Company has agreed with Mighty Partners to an amendment of its Corporate Credit Facility (refer ASX announcement dated 30 June 2025), extending the maturity date to 31 August 2026 or later by mutual agreement, together with an agreed phased repayment schedule.

The amendment provides additional flexibility to complete the repayment of the facility whilst maintaining appropriate liquidity.

Repayments under the amended facility are expected to be funded from available cash resources, including proceeds from the Panel Business transaction.

Following repayment, Butn expects to have materially reduced corporate debt and lower financing costs of c.\$1.5 million including significant cost savings from the sale of the Panel Business, which are expected to make a significant contribution towards the Company's path to sustainable profitability.

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

- ENDS -

Further information please contact:

Investors
Rael Ross, Founder, CEO and Exec Director
Investor Relations: investors@butn.co

About Butn

Butn Limited is an Australian Business-to-Business ('B2B') funder innovating the way SMEs fund and grow their businesses. Butn focuses on transactional funding – funding SME businesses through their working capital constraints by financing individual transactions, leveraging the end debtor's credit. With a vision of "Your money, today" Butn delivers cashflow funding solutions at the click of a Butn having funded over $2.5 billion to Australian businesses. For more information visit www.butn.co