

## Quarterly Activities Report – September 2023

30 October 2023

### Highlights

- **Strategic Transformation:** Q1 2024 marks a period of strategic consolidation and renewed vigour for Equity Story with the introduction of the revolutionary EQS250.
- **Visionary Leadership Transition:** On 20 September 2023, Mr. Reccared (Ricky) Fertig was appointed as Non-Executive Chairman bringing a wealth of expertise with a 20-year CEO tenure at Colliers International South Africa, and his personal investment of 2 million shares at \$0.045 each (\$90,000) into EQS.
- **Strategic Financing for Growth:** On 1 August 2023, Equity Story raised \$1,030,000 through bond issuances offering a competitive 10% annual interest rate, paid semi-annually at 5%, together with free attaching options exercisable at \$0.10 per share with a three-year expiration. Funds raised will facilitate expansion, acquisitions, and partnerships in line with the Company's IPO Prospectus objectives.
- **Strategic Communications and Investor Relations:** Equity Story partnered with Tau Media Pty Ltd during the quarter. Renowned for excellence in investor and media relations, this partnership reaffirms the Company's commitment to transparency, trust, and value creation for all of its valued stakeholders.
- **New Addition to Executive Team:** Kerrin Tregeagle was appointed as the Company's Chief Operating Officer (COO) during the quarter. Kerrin was selected for her dedication and strategic acumen and will continue to play a pivotal role in achieving the Company's core and new objectives.
- **Future Focus:** While financial planning remains a priority, Equity Story's primary focus centres on the immense opportunities presented by its groundbreaking EQS250 platform. Anticipate exciting developments in the upcoming quarter, signalling a fresh impetus.



**Co-Founder and CEO, David Tildesley commented:**

*“Equity Story Group had a game-changing Q1, with a strong emphasis on introducing the ground-breaking EQS250.*

*Mr. Reccared (Ricky) Fertig, our newly appointed Non-Executive Chairman, demonstrated his commitment by investing \$90,000 into the Company (2 million shares), aligning his interests with those of our shareholders.*

*To support our expansion, acquisitions, and partnerships, we successfully issued a \$1,030,000 bond, in line with the objectives outlined in our IPO Prospectus. Additionally, we partnered with Tau Media Pty Ltd to enhance our investor and media relations.*

*We are thrilled to welcome Kerrin Tregheagle as our new Chief Operating Officer. Kerrin will play a crucial role in helping us achieve our objectives. Our primary focus is on capitalising on the opportunities presented by our new EQS250.*

*We maintain a steadfast dedication to growth, innovation, and excellence. I have complete confidence that our strategic decisions and the dedication of our team will propel Equity Story to even greater levels of success in the next quarter and beyond.”*

Sydney, 30 October 2023: Equity Story Group Ltd (**“Equity Story”** or **“the Company”**, **ASX:EQS**) is pleased to present its consolidated quarterly cash flow report and business update for the quarter ended 30 September 2023 (**September Quarter** or **Q1 FY24**).

## **Operations Update**

EQUITY STORY PTY LTD: INVESTING ANALYSIS & GENERAL ADVICE

### **Company's Exceptional Performance in Share Advice:**

The Company has consistently demonstrated an exceptional ability to forecast market trends, evident by its timely call at the market's peak in July. Equity Story's Cincinnati Trading Method has consistently delivered general share advice that consistently outperforms the market. This outstanding track record is a testament to the expertise of the team.

### **Exciting Developments and the Introduction of EQS250:**

The Company's enduring success has paved the way for exciting developments in pricing and service delivery, most notably the introduction of the revolutionary EQS250. Unlike other general share advice providers that often prioritise amassing a large number of subscribers, EQS250 is a VIP service limited to just 250 discerning individuals, priced at \$16,500 per annum (including GST). This exclusivity ensures a focus on quality over quantity, mitigating the issue of crowded trades, which can be a significant source of frustration for clients.

### **Short-Term Revenue Impact:**

While this concentrated focus on developing and launching the EQS250 platform and membership may have had a short-term impact on revenue, the Company is confident that the signs for November and December indicate increased revenue levels. This strategic decision emphasises the Company's commitment to delivering a premium service that truly stands out in the market.

### **Influence of Chairman Ricky Fertig:**

The Company's newly appointed Chairman, Ricky Fertig (*see ASX Announcement 20 September 2023*), has played a pivotal role in aligning the Company with its new strategy. His leadership and vision have been instrumental in guiding Equity Story towards achieving its goals, and he is equally enthusiastic about replicating this model in other countries in future.

### **Acknowledgment of Peter Kopetz, Analyst Extraordinaire:**

Peter Kopetz, Equity Story's highly respected analyst, deserves enormous credit for the design and development of the ground-breaking EQS250. His expertise has been pivotal in ensuring the platform's excellence and in delivering top-tier services to our clients.

### **Operations Expansion and Enhanced Service Offering:**

The Company's continued commitment to growth and innovation is evident in the recent expansion of its Australian Financial Service License (AFSL) to include Managed

Investment schemes. This expansion enhances Equity Story's core service offering, allowing it to better serve its valued clients and meet their evolving investment needs.

## CINCINNATI TRADING METHOD ("CTM") EDUCATION: INVESTMENT & STRATEGY EDUCATION

### **CTM Sales Strategy and Educational Pathway:**

- Equity Story's CTM (Cincinnati Trading Method Masterclasses) continue to be offered at competitive price points, with the course priced at approximately \$4,500 (inc. GST). It is essential to highlight that successful graduates from the course are granted the exclusive opportunity to join EQS250.
- Becoming a member of EQS250 is contingent upon the completion of the course, making it a highly sought-after and prestigious educational pathway. EQS250 is designed to provide the continuous mentoring and support that is indispensable for investors and traders aiming for success.

### **Strategic Sales Synergy:**

- Over the years, Cincinnati Trading Courses have been immensely popular among Equity Story members. However, it is noteworthy that CTM is now focusing its efforts on expanding its reach beyond the Equity Story Membership. Early indications demonstrate that the sales strategies employed are yielding high-quality leads from individuals who are genuinely interested in acquiring the knowledge required to excel in the trading arena.
- This shift in strategy underscores the Company's commitment to providing a comprehensive educational experience that appeals to a broader audience and is aligned with the goals of those who are passionate about financial success through trading.

## EQUITY STORY SECURITIES ("ESS"): CORPORATE CAPITAL RAISING & DISTRIBUTION

- Subdued EES activity during the quarter was as a result of much lower volumes of equity investment opportunities across the general market.
- ESS successfully distributed four investment opportunity deals to its s.708 Sophisticated Investor clients during the quarter.

## EQUITY STORY GROWTH FUND: MANAGED FUND

- Equity Story's lead fund manager, Peter Kopetz, has strategically aligned the fund with the Cincinnati Trading Method, a move that has already garnered support from our traders.
- Notably, the Fund's monthly performance summaries have been a testament to the success of this strategic alignment. Most significantly, the Australian Equities portfolio has demonstrated remarkable consistency in outperforming the benchmark ASX 200 index, showcasing the tangible value and exceptional results the fund provides to our investment clientele.

## Financial Highlights

Financial highlights for the quarter include:

- This quarter, the Company demonstrated resilience by securing customer receipts amounting to \$215k, which is consistent with the prior quarter receipts of \$221k. Despite prevailing market headwinds, the Company's consistent revenue generation showcases its ability to weather challenging market conditions.
- Net Cash Used in Operating Overheads was \$421k, continuing the decreased run rate that was implemented in the prior quarter. This underscores the Board's unwavering commitment to stringent cost management. The prudent approach effectively curtailed expenses related to advertising, staff remuneration, and corporate outlays.
- Presently, our workforce consists of 7 individuals, encompassing both 6 dedicated full-time employees and 1 part-time employee. This workforce includes esteemed members of our board of directors, collectively contributing to our organisation's diverse and highly skilled team.
- As the quarter came to a close, the Company is pleased to report a cash balance of \$1.57 million, reaffirming the Company's dedication to maintaining sound financial health and strategic planning, ensuring stability and growth for all of our stakeholders.
- Q2 is expected to break record revenues with the introduction of EQS250 with the Company expecting strong sales in November and December 2023.
- Michael Peters, resigned as CFO during the quarter and his firm was replaced by Traverse Accountants who now ably assist with the Company's financial management.

## Use of Funds

The EQS IPO Prospectus, dated 4 February 2022, noted that the Company would work to grow the business by investing capital raised in the IPO according to an estimated Use of Funds.

In accordance with ASX Listing Rules the Company discloses the following update in respect of funds invested during the quarter as compared with the Use of Funds set out in the Prospectus.

	Amount in Prospectus (\$)	Total Allocated Since IPO (\$)
Funds raised from the Offer	\$4,640,000	
<b>Allocation of funds</b>		
Advertising	\$1,060,000	\$934,935
Marketing – Growth and Customer Acquisition (including events)	\$800,000	\$631,548
Market Analysis	\$280,000	\$250,000
Further Investment and Development of Technology	\$100,000	\$130,032
Licensing Expansion	\$180,000	\$29,742
Expenses of the Offer	\$521,000	\$614,940
Administration Costs	\$999,000	\$969,163
Working capital	\$700,000	\$476,939
<b>Total</b>	<b>\$4,640,000</b>	<b>\$4,037,299</b>

### Notes regarding the Use of Funds:

- Advertising and marketing includes digital advertising, agency expenses, promotion, education events, investor relations consultants and adjustments to websites;
- Administration costs include office rent (including bank guarantee), furniture and fittings, fixed costs, business running costs, wages for staff and consultants, ASX listing fees, and corporate expenses;
- Working Capital is unassigned costs of running the business, plus consideration paid for acquisitions; and
- The Company is on track in terms of its business objectives and expenditure program.

Payments to related parties and their associates during the quarter totalled \$143k, and were for directors' fees and salaries.

## **Strategic Objectives**

### **EQUITY STORY GROUP'S STRATEGIC IMPERATIVES FOR THE UPCOMING PERIOD**

#### **Expanding Our Subscriber Base:**

- The Company's foremost goal is to significantly increase the core subscriber base for Equity Story, A Rich Life, and Cincinnati Trading Method. This will be accomplished through an amplified approach in direct sales, advertising, and marketing, ensuring sustainable growth in membership revenues.

#### **Unlocking EQS250's Full Potential:**

- EQS250 is not just a product; it's a premium educational, mentorship, and collective investor experience. The Company is dedicated to closing out EQS250 with finesse and developing essential support technologies and platforms that will elevate the overall user experience to an unmatched level.

#### **Diversifying Revenue Streams:**

- Equity Story is committed to enhancing revenues through ancillary services, including corporate finance fees. This diversification strategy ensures a robust and sustainable financial foundation for our future endeavours.

#### **Strategic Alliances and Acquisitions:**

- Equity Story continues to actively seek opportunities for growth through strategic partnerships and targeted acquisitions with financial planning and wealth advisory firms. By leveraging synergies, the Company aims to position itself as a force in the industry and broaden its value proposition.

At Equity Story, these strategic imperatives are not mere objectives but a testament to the Company's commitment to delivering outstanding value to its members, subscribers, and partners. Equity Story are resolute in its pursuit of excellence and growth in the upcoming period and beyond.

Equity Story's Board and team remain confident that the planned growth pathway will restore the Group's cash flows by providing high-quality stock market content, education and wealth management services.

## EVENTS SUBSEQUENT TO THE QUARTER

On 3 October 2023, Equity Story changed its Registered Office and Principal Place of Business to:

44 North Fort Road The Barracks Precinct Manly NSW 2095

The phone number and other contact information remain the same.

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**ENDS**

*This announcement has been authorised for release by the Board of Directors of Equity Story Group Ltd*

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### About Equity Story Group Ltd

Equity Story Group Ltd (ASX:EQS) is an Australian investor media company providing stock market trading information, wealth advice, research, investor education, funds management and capital markets services.

The Company's subscribers pay annual membership fees for written content and podcast-based equities market advice and commentary through several subscription packages, as well as regular paid live and digital investor education courses.

The Company offers other adjacent financial services to its members including member access to corporate investment opportunities, funds management and additional financial services and content.

For more information, please visit us: [www.equitystory.com.au](http://www.equitystory.com.au)

### Corporate Enquiries

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Equity Story Group Limited

**ABN**

84 653 383 478

**Quarter ended ("current quarter")**

30 September 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter A\$'000</b>	<b>Year to date (3 months) A\$'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	215	215
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(44)	(44)
(d) leased assets	(19)	(19)
(e) staff costs	(327)	(327)
(f) administration and corporate costs	(252)	(252)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(421)</b>	<b>(421)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	(150)	(150)
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter A\$'000	Year to date (3 months) A\$'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(150)</b>	<b>(150)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	90	90
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(1)
3.5	Proceeds from borrowings	830	830
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>919</b>	<b>919</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,224	1,224
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(421)	(421)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(150)	(150)

Consolidated statement of cash flows		Current quarter A\$'000	Year to date (3 months) A\$'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	919	919
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,572</b>	<b>1,572</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter A\$'000	Previous quarter A\$'000
5.1	Bank balances	1,572	1,224
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,572</b>	<b>1,224</b>

6.	Payments to related parties of the entity and their associates	Current quarter A\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	143
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end A\$'000</b>	<b>Amount drawn at quarter end A\$'000</b>
7.1	Loan facilities	1,030	1,030
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	1,030	1,030
7.5	<b>Unused financing facilities available at quarter end</b> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>On 1 August 2023, the Group announced that it had raised \$1,030,000 via the issue of 103 bonds. Each bond has a face value of \$10,000 each, at an interest rate of 10% per annum, paid semi-annually at 5% every 6 months. The bonds mature five years from issue.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>A\$'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(421)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,572
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	-
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b> <div style="border: 1px solid black; text-align: center; padding: 5px;">3.73</div>	
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<div style="border: 1px solid black; padding: 5px;">Answer: N/A</div>		
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<div style="border: 1px solid black; padding: 5px;">Answer: N/A</div>		
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
<div style="border: 1px solid black; padding: 5px;">Answer: N/A</div>		
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2023 .....

Authorised by: The Board .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.