



Equity Story Group Ltd (ASX:EQS) | ASX Announcement

## Quarterly Activities Report – March 2024

30 April 2024

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Sydney, 30 April 2024: Equity Story Group Ltd (**Equity Story** or **Company**, ASX:EQS) is pleased to present its consolidated quarterly cash flow report and activities report for the quarter ended 31 March 2024.

During the quarter, the business focussed on consolidating existing products, introducing new complimentary services, establishing operational infrastructure to support the new business model and the continued development of our “Investorverse”. The Company believes it is now positioned to receive increased revenue from existing services and to unlock new revenue streams moving forward.

Membership Consolidation: After review, Equity Story has consolidated its over half a dozen existing memberships into three new membership packages to streamline the business and its members. The new membership packages broadly target self-directed investors; investors looking for professional assistance; and high net worth investors looking for institutional grade wealth creation services.

New Complimentary Services: Through its subsidiary, Equity Story Securities Pty Ltd, Equity Story now offers Wealth Advisory Services. The business believes the services offered by the Wealth Advisory division are a natural fit with its existing members that have been receiving financial markets education and general advice since inception. It also positions the business to take advantage of the experience and networks of key stakeholders within the business and allows new revenue streams to be unlocked. The new revenue streams include brokerage fees; equity placement fees; debt placement fees; mandate fees; corporate advisory fees; and structured product fees.

Operational Infrastructure: To support the new complimentary services, Equity Story has secured the services of Mr Shane White as *Head of Wealth & Capital Markets*. Mr White has an extensive network of institutional and HNW clients. Mr White also brings a wealth of experience across both financial markets and business management having founded a very successful high-level workplace integrity services company which boast several Top 100 ASX listed companies. Included in those companies is one of the Big

Four banks, which has been a client for the past 10 years. Additionally, due to the expansion of the Equity Story business into new areas of financial services, the Company has strengthened its compliance division by contracting the services of *Pajeska Group*. *Pajeska Group* was founded by Marija Pajeska who has over 15 years of experience in the financial services industry, specialising in Anti-Money Laundering / Counter-Terrorism Financing (AML/CTF), which is a cornerstone of the necessary compliance operations for the business' new revenue streams.

New Revenue Streams: Late in the quarter, Equity Story introduced its clients to two capital raisings by ASX listed companies. Revenue from placement fees for these deals is circa \$58k and will be credited to next quarter's cashflow. Since the end of the quarter, the business has secured its first mandate to raise funds for an unlisted company and expects the revenue from the associated mandate fees to be included in the next quarterly cashflow results (June 24).

Investorverse: The Company has commenced beta-testing with a select group of existing clients and a few key ASX-listed company stakeholders. Equity Story continues to receive extremely positive feedback on the Investorverse platform, its functionality and the ability for financial services companies and investors to integrate themselves onto the platform. The Company believes the platform could start to deliver a group of new revenue streams by mid-year.

Financials\*: Compared to the previous corresponding period (March 23), the Company's net cash burn for the quarter reduced by 50% (from \$704k to \$351k). This was achieved through a 14% increase in revenue (\$210k vs \$184k) and a further 37% reduction in costs (\$561k vs \$888k).

\*Note: Included in the operating costs of the March quarter is \$51k in coupon payments to bond holders of Equity Story's corporate bond. The bond was issued in August 2023, raising \$1.03M, and pays a semi-annual coupon of 10%pa.

Related Party Expenditure: Payments to related parties and their associates during the quarter totalled \$197k and were all for directors' fees and salaries.

Use of Funds: In accordance with ASX Listing Rules, Equity Story discloses the following with respect of funds invested during the quarter as compared with the Use of Funds set out in the Company's Prospectus.

	Amount in Prospectus (\$)	Total Allocated Since IPO (\$)
Funds raised from the Offer	\$4,640,000	
Allocation of funds		
Advertising	\$1,060,000	\$950,417
Marketing – Growth and Customer Acquisition (including events)	\$800,000	\$656,243
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	\$1,197,809
Working capital	\$700,000	\$740,663
Total	\$4,640,000	\$4,569,846

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.

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

**Corporate Enquiries**

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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)



## 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")**

31 March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter A\$'000</b>	<b>Year to date (9 months) A\$'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	210	710
1.2 Payments for		
(a) research and development	(25)	(25)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(8)	(70)
(d) leased assets	-	(21)
(e) staff costs	(338)	(884)
(f) administration and corporate costs	(140)	(621)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	13
1.5 Interest and other costs of finance paid	(51)	(55)
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>(351)</b>	<b>(953)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	(150)
(b) businesses	-	-
(c) property, plant and equipment	(2)	(2)
(d) investments	-	(100)
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter A\$'000	Year to date (9 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>(2)</b>	<b>(252)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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)
3.5	Proceeds from borrowings	-	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>-</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	1,291	1,224
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(351)	(953)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(252)

Consolidated statement of cash flows		Current quarter A\$'000	Year to date (9 months) A\$'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	919
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>938</b>	<b>938</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	938	1,291
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>938</b>	<b>1,291</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	197
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>		

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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>		
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>		

8.	<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)	(351)
8.2	Cash and cash equivalents at quarter end (item 4.6)	938
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	938
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.67
	<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?	
	Answer: N/A	
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?	
	Answer: N/A	
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?	
	Answer: N/A	
	<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 April 2024 .....

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.