

Quarterly Activities Report – June 2024

31 July 2024

Sydney, 31 July 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 30 June 2024.

During the quarter, Equity Story achieved its lowest quarterly operating cash burn (\$106k) since listing on ASX in May 2022.

The business witnessed a material change in trend during the quarter. Each subsequent month's cashflow was better than the last, ultimately resulting in June posting a positive operating cashflow of (approximately) \$95k. This is the business' best monthly cashflow performance since listing.

The outstanding improvement in net operating cash-burn was a direct result of the business successfully rolling out the new divisions outlined in the previous quarterly update. This accounted for 49.8% of the group's revenue during the June quarter and keeps the turn-around in the business' cashflow ahead of internal forecasts.

The revenue generating areas of the business include:

Memberships:

The business continued to see a strong uptake in its new membership packages with positive feedback from new and renewing members excited about having access to the Company's senior technical and fundamental analysts via a daily video chat in both the mornings and afternoons.

Wealth Advisory Division

Equity Capital Markets:

The volume of high-quality deals Equity Story was able to offer to its network exceeded expectations and resulted in a significant uplift in revenue. During the quarter, the Equity Capital Markets team placed client funds into seven deals, raising over \$6.125M.

Of the seven deals, Equity Story mandated one deal, resulting in higher-than-normal fees, and was the primary participant in two of the other deals.

Managed Fund:

The *Equity Story Growth Fund* returned 8.28% during the quarter (and is up 20.59% in 2024). The fund invests using the *Cincinnati Trading System (CTM)* that we teach to our clients. The outstanding success of the fund has seen a significant increase in enquiries about how to invest into the fund. The net revenue associated with management and performance fees from the fund was broadly consistent with past quarters, totalling (approximately) \$10.3k for the June quarter. This figure is expected to increase significantly over the coming quarters as we welcome more clients into the *Wealth Advisory Division*.

Portfolio Services:

The June quarter saw the launch of the Company's much-anticipated *Portfolio Services*. Due to the pre-launch demand, the division is currently still working through a significant backlog of account applications, however this is expected to be cleared by end of August. Because *Portfolio Services* was launched towards the end of the quarter, and due to the natural lag between provided service and payment, brokerage revenue was immaterial during the quarter however, it is expected that it will become the Company's leading source of revenue over time.

Equity Story believes the best determinant for long-term revenue from brokerage is the amount of Funds Under Management (**FUM**) on the Company's platform. There is currently (approximately) \$20M in FUM across accounts, either already opened or in the process of being opened. This figure is ahead of expectations for this stage of the *Portfolio Services* roll-out. Brokerage revenue derived from \$40M in FUM, should be sufficient for the Company to be cashflow positive, without the need of supporting revenue streams within the Company.

Investorverse

The Investorverse beta-testing that commenced during the March quarter continues to receive positive feedback from users. During the June quarter, multiple CEO's from ASX listed companies used the Investorverse platform to speak directly to Equity Story clients and invited guests. Investorverse is being recognised by industry leaders as a compelling alternative for companies seeking industry leading Investor Relations. As such, the Company has now been approached by, and are currently in discussion with, industry leading parties to promote Investorverse to their networks. Equity Story is currently exploring several different revenue models but, believes the potential revenue

from a successful launch of Investorverse to Australian listed and unlisted companies could be sufficient for the Company to be cashflow positive, without the need of supporting revenue streams within the Company, as per the outlook for the *Portfolio Services* division.

Financials:

The June '24 quarterly operating revenue increased 94% and 84% respectively, compared to the previous quarter (March '24) and corresponding quarter (June'23)

The June '24 quarterly operating cash burn decreased 70% and 74% respectively, compared to the previous quarter (March '24) and corresponding quarter (June'23)

Related Party Expenditure: Payments to related parties and their associates during the quarter totalled \$178k and were all for directors' fees and salaries.

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



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 June 2024

Consolidated statement of cash flows	Current quarter A\$'000	Year to date (12 months) A\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	407	1,117
1.2 Payments for		
(a) research and development	-	(25)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	(70)
(d) leased assets	-	(21)
(e) staff costs	(276)	(1,160)
(f) administration and corporate costs	(228)	(849)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	13
1.5 Interest and other costs of finance paid	(9)	(64)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(106)	(1,059)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	(150)
(b) businesses	-	-
(c) property, plant and equipment	(1)	(3)
(d) investments	-	(100)
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter A\$'000	Year to date (12 months) A\$'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	80	80
	(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)	(102)	(102)
2.6	Net cash from / (used in) investing activities	(23)	(275)

3.	Cash flows from financing activities		
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)	-	-
3.10	Net cash from / (used in) financing activities	-	919

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	938	1,224
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(106)	(1,059)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23)	(275)

Consolidated statement of cash flows		Current quarter A\$'000	Year to date (12 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	Cash and cash equivalents at end of period	809	809

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	809	938
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	809	938

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	178
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.	Financing facilities <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>	Total facility amount at quarter end A\$’000	Amount drawn at quarter end A\$’000
7.1	Loan facilities	1,030	1,030
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,030	1,030
7.5	Unused financing facilities available at quarter end		
7.6	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.		
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.			

8.	Estimated cash available for future operating activities	A\$'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(106)
8.2	Cash and cash equivalents at quarter end (item 4.6)	809
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	809
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.6
	<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: 31 July 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.