



ABN 56 163 916 989

and its controlled entities

Appendix 4E
Preliminary Final Report
2023

Corporate directory

Current Directors

Michael Chan	<i>Executive Director</i>
Michael Pixley	<i>Non-executive Director</i>
Stuart Usher	<i>Non-executive Director (appointed on 29 August 2022)</i>

Company Secretary

Stuart Usher

Registered Office

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Email: investor@story-i.com
Website: www.story-i.com.au

Share Registry

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Telephone: 1300 288 664 (within Australia)
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Email: hello@automicgroup.com.au
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Auditor

Stantons

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WEST PERTH WA 6005
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Securities Exchange

Australian Securities Exchange

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Company Update

1. Operating and financial review

1.1. Nature of Operations Principal Activities

For the year ended 30 June 2023, the principal activities of the Group, through its Indonesian operating subsidiary, was as an Apple Authorised Reseller and IT life style product retailer with 23 stores in 10 cities throughout Indonesia.

1.2. Operations Review

There were several headwinds for the discretionary retail sector in FY2023 as business conditions deteriorated due to inflationary pressures and rising interest rates.

This affected consumer sentiment resulting in an overall decline in store sales. The business was weighed down by several non-performing stores which were subsequently closed when the leases expired. Overall due to the poor business conditions there was an impairment charge of \$7.6 million in FY2023 (refer also 1.4.a *Sale of Apple Reseller Business* and 1.4.b *Receivership of Business* below).

1.3. Financial Review

a. Revenues

The Group's revenue for the year ended 30 June 2023 decreased by 8.89% to \$38,641,899 as compared with the previous year ended 30 June 2022 which recorded \$42,414,602.

b. Operating Results

The Group incurred a loss for the year of \$10,643,395 (2022: \$2,165,947 loss) and an EBITDA loss of approximately \$7.91 million for 2023 (2022: \$1.10 million profit). Both profit measures were lower than the prior year.

The loss included an impairment charge of \$7.6 million mainly from an increase in bad debts and inventory write-downs. Interest and finance cost rose 38.9 % from \$1.14 million to \$1.58 million as a result of the higher interest rates on increased loan facilities.

Due to significant business losses resulting from the impact of COVID-19, we have had to impair the business. This decision reflects the severe challenges we've faced and is a necessary step to address the current financial situation.

c. Financial position

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The net assets of the Group have decreased from 30 June 2022 by \$11.72 million to \$0.36 million at 30 June 2023 (2022: \$11.36 million).

As at 30 June 2023, the Group's cash and cash equivalents increased from 30 June 2022 by \$0.88 million to \$2.44 million at 30 June 2023 (2022: \$1.56 million) and had a working capital deficit of \$4.56 million (2022: \$4.13 million working capital).

1.4. Prospects and Business Strategies, and Future Developments

a. Sale of Apple Reseller Business

Subsequent to year end, the Company initially announced on 10 July 2023 that it had agreed, subject to shareholder approval, which was subsequently received on 21 August 2023, to sell the whole of its Apple reseller business in Indonesia to NextGen Retail Inc. a wholly owned subsidiary and lifestyle vertical of Society Pass Inc. (NASDAQ: **SOPA**).

The terms of the agreement were as follows:

- ➊ Story-I to sell all of the shares in its 95% Indonesian subsidiary, PT Inetindo;
- ➋ consideration was \$2,787,173, payable on completion;
- ➌ sale must be approved by Story-I shareholders at a general meeting;
- ➍ all regulatory approvals, if any, to be obtained; and
- ➎ other conditions customary for a transaction of this nature.

On 21 August 2023, shareholders voted to approve the sale.

One of the primary conditions of the agreement was that SOPA had to replace the personal and corporate guarantees for the credit facilities to PT Inetindo. This condition was not met. On 28 November 2023, the Board of Story-i agreed to terminate the business sale process.

Company Update

b. *Receivership of Business*

The Company's Apple reseller business in Indonesia has been placed into receivership. Messrs. Sammy Arter and Sri Damayanti have been appointed as the receivers for PII.

The outstanding debt owed by PII to creditors totals IDR 38.2 billion, equivalent to AUD 3.58 million. These liabilities are at the subsidiary level, and there are no claims on Story-i itself as the 95% shareholding in PII is held through Story-i Pte Ltd, a Singapore investment holding company. There is an inter-company loan of approximately AUD \$3.5 million due from PII to Story-i. The receivers will be working closely with PII and its creditors.

The Indonesian business had been experiencing losses for the past four years due to a combination of factors, including poor sentiment in the consumer discretionary segment during and after the pandemic, regular business interruptions due to COVID, low margins, and increased funding costs resulting from significant interest rate rises in the past year. Following the announcement dated 30 November 2023 regarding the termination of the sale of the business to NextGen Retail Inc., a subsidiary of SOPA, the Board engaged in discussions with other potential buyers but was ultimately unsuccessful, and will now proceed to liquidate the business, a process that can last up to two years.

c. *COVID-19 pandemic*

The COVID-19 pandemic has had a significant impact on our business across Indonesia. We have experienced a considerable decline in sales and faced extended store closures, which have contributed to the overall challenges we've encountered.

d. *Status of financial reports*

Due to the business entering receivership and the termination of all staff, there has been a substantial delay in obtaining financial information. The transition has created significant challenges in accessing and compiling the necessary data, but we are working diligently to resolve these issues.

Currently, the financial information is with the auditors and is progressing, though the process is slower than anticipated due to the circumstances. We appreciate your patience as we work through these challenges.

e. *Fund raising and recapitalisation*

The Company is actively progressing plans to recapitalise and raise funds, while also searching for new investment opportunities. We are focused on remaining listed on the Australian Securities Exchange and are committed to navigating this period of transition effectively.

Results for announcement to the Market
for the year ended 30 June 2023

2. Reporting period (item 1)	
- Report for the financial year ended:	30 June 2023
- Previous corresponding period is the year months ended:	30 June 2022

3. Results for announcement to the market	Movement	Percentage %	Amount \$
- Decrease in revenues from ordinary activities (item 2.1)	↑	(8.89) to	38,641,899
- Decrease in loss from ordinary activities after tax attributable to members (item 2.2)	↓	391.40 to	(10,643,395)
- Decrease in loss after tax attributable to members (item 2.3)	↓	391.40 to	(10,643,395)

3.1. Dividends (item 2.4)	Amount per Security \$	Franked amount per security %
- Interim dividend	nil	n/a
- Final dividend	nil	n/a
- Record date for determining entitlements to the dividend (item 2.5)	n/a	
3.2. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):		
Refer to <i>Company Update</i> on page 1 of the accompanying Preliminary Final Report.		

4. Preliminary Final Report
4.1. Statement of comprehensive income (item 3): Refer to Consolidated statement of profit or loss and other comprehensive income on page 5
4.2. Statement of financial position (item 4): Refer to Consolidated statement of financial position on page 6
4.3. Statement of cash flows (item 5): Refer to Consolidated statement of cash flows on page 8
4.4. Statement of changes in equity (item 6): Refer to Consolidated statement of changes in equity on page 7

5. Dividends (item 7) and returns to shareholders including distributions and buy backs (item 14.2)
Nil.
5.1. Details of dividend or distribution reinvestment plans in operation are described below (item 8): Not applicable

6. Ratios	Current Period \$	Previous corresponding Period \$
6.1. Financial Information relating to 6.2 and 6.3:		
Earnings for the period attributable to owners of the parent	(10,643,395)	(2,165,947)
Net assets	(360,755)	11,363,330
Less: Intangible assets (including net deferred tax balances)	(1,127,158)	(1,105,055)
Net tangible asset deficit	(1,487,913)	10,258,275

Results for announcement to the Market
for the year ended 30 June 2023

6 Ratios (cont.)		Current Period No.	Previous corresponding Period No.
Fully paid ordinary shares		376,404,857	376,404,857
Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share (EPS)		376,404,857	376,404,857
		¢	¢
6.2.	Net tangible assets backing per share (item 9):	(0.712)	2.267
6.3.	Earnings per share attributable to owners of the parent (item 14.1):	(2.83)	(0.58)

7. Details of entities over which control has been gained or lost during the period (item 10):	
7.1. Control gained over entities	
- Name of entities (item 10.1)	None
- Date(s) of gain of control (item 10.2)	N/A
7.2. Loss of control of entities	
- Name of entities (item 10.1)	None
- Date(s) of loss of control (item 10.2)	N/A
7.3.	Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 10.3).
	N/A
7.4.	Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3)
	N/A

8. Details of associates and joint venture (item 11):	
- Name of entities (item 11.1)	Nil
- Percentage holding in each of these entities (item 11.2)	n/a
- Aggregate share of profits (losses) of these entities (item 11.3)	

Current period \$	Previous corresponding Period \$
N/A	N/A

9.	Any other significant information needed by an investor to make an informed assessment of the entity’s financial performance and financial position (item 12): Refer to <i>Company Update</i> on page 1 of the accompanying Preliminary Final Report.
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10.	The financial information provided in the Appendix 4E is based on the annual report (attached), which has been prepared in accordance with Australian Accounting Standards (item 13).
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11.	A commentary on the results for the period (item 14): Refer to <i>Company Update</i> on page 1 of the accompanying Preliminary Final Report.
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12.	The preliminary final report has been prepared based on the 30 June 2023 accounts which are in the process of being audited by an independent Audit Firm in accordance with the requirements of s.302 of the <i>Corporations Act 2001</i> (Cth). (item 15)
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Consolidated statement of profit or loss and other comprehensive income
for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	1.1	38,641,899	42,414,602
Costs of sales		(34,345,886)	(36,375,779)
Gross Profit		4,296,013	6,038,823
Other income	1.2	993,334	531,257
Administrative and other costs		(14,244,383)	(6,644,602)
Selling and distribution costs		(1,208,945)	(1,097,706)
Operating loss		(10,163,981)	(1,172,228)
Interest and finance costs		(1,576,164)	(1,135,041)
Loss before income tax		(11,740,145)	(2,307,269)
Income tax (expense) / benefit	3.1	(62,556)	(43,849)
Net loss for the year		(11,802,701)	(2,351,118)
<i>Other comprehensive income, net of income tax</i>			
⊕ Items that may be reclassified subsequently to profit or loss			
● Foreign currency movement		540,680	743,636
Other comprehensive loss for the year, net of tax		540,680	743,636
Total comprehensive loss for the year, net of tax		(11,262,021)	(1,607,482)
<i>Loss for the year attributable to:</i>			
⊕ Non-controlling interest		(1,159,306)	(185,171)
⊕ Owners of the parent		(10,643,395)	(2,165,947)
		(11,802,701)	(2,351,118)
<i>Total comprehensive loss attributable to:</i>			
⊕ Non-controlling interest		(1,159,306)	(185,171)
⊕ Owners of the parent		(10,102,715)	(1,422,311)
		(11,262,021)	(1,607,482)
<i>Earnings per share:</i>			
Basic loss per share (cents per share)	7	¢ (2.83)	¢ (0.58)
Diluted loss per share (cents per share)	7	¢ (2.83)	¢ (0.58)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position
as at 30 June 2023

	Note	2023 \$	2022 \$
<i>Current assets</i>			
Cash and cash equivalents	4.1	2,442,047	1,557,672
Trade and other receivables	4.2.1	1,665,092	5,260,436
Inventories		7,370,207	12,970,207
Other current assets	4.3.1	232,077	1,751,054
Total current assets		11,709,423	21,539,369
<i>Non-current assets</i>			
Plant and equipment		2,335,932	3,495,877
Right of use assets	5.1.1	1,192,017	1,724,314
Intangible assets	5.2	1,057,049	1,037,086
Deferred tax asset	3.2	70,109	67,969
Other non-current assets	4.3.2	475,312	610,973
Total non-current assets		5,130,419	6,936,219
Total assets		16,839,842	28,475,588
<i>Current liabilities</i>			
Trade and other payables	4.4.1	2,823,368	3,275,398
Borrowings	4.5.1	13,016,823	12,134,921
Leases	5.1.2	192,588	248,448
Total current liabilities		16,032,779	15,658,767
<i>Non-current liabilities</i>			
Provisions		348,297	338,569
Leases	5.1.2	819,521	1,114,922
Total non-current liabilities		1,167,818	1,453,491
Total liabilities		17,200,597	17,112,258
Net assets		(360,755)	11,363,330
<i>Equity</i>			
Issued capital	6.1.1	9,631,133	9,631,133
Reserves		(296,800)	(837,480)
Retained earnings		(8,797,349)	2,308,110
Non-controlling interest		(897,739)	261,567
Total equity		(360,755)	11,363,330

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
for the year ended 30 June 2023

Note	Contributed equity	Retained earnings	Foreign Currency Translation Reserve	Sub-total	Non-controlling Interest (NCI)	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	9,631,133	4,474,057	(1,581,116)	12,524,074	446,738	12,970,812
Loss for the year	-	(2,165,947)	-	(2,165,947)	(185,171)	(2,351,118)
Other comprehensive income for the year	-	-	743,636	743,636	-	743,636
Total comprehensive income for the year	-	(2,165,947)	743,636	(1,422,311)	(185,171)	(1,607,482)
Transaction with owners, directly in equity	-	-	-	-	-	-
Balance at 30 June 2022	9,631,133	2,308,110	(837,480)	11,101,763	261,567	11,363,330
Balance at 1 July 2022	9,631,133	2,308,110	(837,480)	11,101,763	261,567	11,363,330
Loss for the year	-	(10,643,395)	-	(10,643,395)	(1,159,306)	(11,802,701)
Other comprehensive income for the year	-	-	540,680	540,680	-	540,680
Total comprehensive income for the year	-	(10,643,395)	540,680	(10,102,715)	(1,159,306)	(11,262,021)
Transaction with owners, directly in equity	-	-	-	-	-	-
Transfers to reserves	-	(462,064)	-	(462,064)	-	(462,064)
Balance at 30 June 2023	9,631,133	(8,797,349)	(296,800)	536,984	(897,739)	(360,755)

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
for the year ended 30 June 2023

	2023 \$	2022 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	41,226,256	41,095,791
Interest received	39,373	23,994
Interest paid (net of AASB 16 interest)	(1,576,164)	(1,134,904)
Payments to suppliers and employees	(40,944,217)	(42,598,263)
Income tax paid	(62,556)	(32,826)
Other receipts	953,961	507,263
Net cash (used in) / generated from operating activities	(363,347)	(2,138,945)
<i>Cash flows from investing activities</i>		
Purchase of plant and equipment	(316,454)	(253,849)
Refund of / (payment for) security deposits	19,239	(44,940)
Net cash used in investing activities	(297,215)	(298,789)
<i>Cash flows from financing activities</i>		
Repayment of bank loans	-	(21,171)
Proceed from of borrowings	1,496,364	2,734,356
Repayment of short-term loan	-	(9,407)
Repayment of lease liabilities	-	(348,663)
Net provided by / (cash used) in financing activities	1,496,364	2,355,115
Net increase in cash and cash equivalents held	835,802	(82,619)
Cash and cash equivalents at the beginning of the year	1,557,672	1,539,221
Change in foreign currency held	48,573	101,070
Cash and cash equivalents at the end of the year	2,442,047	1,557,672

4.1

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the preliminary final report
for the year ended 30 June 2023

Note	1	Revenue and other income	Note	2023 \$	2022 \$
1.1		Revenue			
		Revenue from sale of goods		38,641,899	42,414,602
				38,641,899	42,414,602
1.2		Other Income			
		Interest income		39,373	23,994
		Other income		953,961	507,263
				993,334	531,257
Note	2	Loss before income tax	Note	2023 \$	2022 \$
2.1		<i>The following significant expense items are relevant in explaining the financial performance:</i>			
2.1.1		Expenses			
		Ⓜ Amortisation and depreciation		2,254,536	2,271,567
		Ⓜ Interest expenses and finance facility costs		1,576,164	1,135,041
		Ⓜ Impairment of receivables and inventory		7,615,911	8,204
Note	3	Income tax		2023 \$	2022 \$
3.1		Income tax expense			
		Current tax		62,556	43,849
3.2		Deferred tax assets			
		Tax losses		70,109	67,969
Note	4	Financial assets and financial liabilities			
4.1		Cash and cash equivalents		2023 \$	2022 \$
		Cash at bank		2,442,047	1,557,672
				2,442,047	1,557,672
4.2		Trade and other receivables		2023 \$	2022 \$
4.2.1		Current			
		Trade receivables		3,322,856	3,229,236
		GST receivable		32,713	24,526
		Receivable – related parties		1,199,751	73,277
		Employee receivable		44,096	24,055
		Apple SEA		-	428,137
		Other receivables		18,166	1,820,092
		Less: Allowance for credit losses – trade and other receivables		(2,952,490)	(338,887)
				1,665,092	5,260,436

Notes to the preliminary final report
for the year ended 30 June 2023

Note 4 Financial assets and financial liabilities (cont.)		
4.3 Other assets	2023	2022
	\$	\$
4.3.1 Current		
Prepayments	119,513	214,659
Advance payment	19,910	1,333,160
Restricted deposits	92,654	203,235
	232,077	1,751,054
4.3.2 Non-current		
Rental deposits	475,312	610,973
	475,312	610,973
4.4 Trade and other payables	2023	2022
	\$	\$
4.4.1 Current		
<i>Unsecured</i>		
Trade payables	2,177,760	2,749,138
Taxes payable	32,549	43,849
Related party payables	65,306	62,604
Other payables	547,753	419,807
	2,823,368	3,275,398
4.5 Borrowings	2023	2022
	\$	\$
4.5.1 Current		
Bank loan	4,017,970	2,903,449
Convertible notes	33,000	-
Short-term loan – related party	8,799	8,799
Other borrowings	8,957,054	9,222,673
	13,016,823	12,134,921
Note 5 Non-financial assets and financial liabilities		
5.1 Leases	2023	2022
	\$	\$
5.1.1 Right of use assets		
Properties	1,192,017	1,724,314
	1,192,017	1,724,314
5.1.2 Lease liabilities		
Current	192,588	248,448
Non-current	819,521	1,114,922
	1,012,109	1,363,370
5.2 Intangible assets	2023	2022
	\$	\$
Intangible – fair value of licenses from acquisition of eStore	1,057,049	1,037,086

Notes to the preliminary final report
for the year ended 30 June 2023

Note	6	Equity				
6.1	Issued capital	Note	2023 No.	2022 No.	2023 \$	2022 \$
	Fully paid ordinary shares		376,404,857	376,404,857	9,631,133	9,631,133
6.1.1	Ordinary shares		2023 No.	2022 No.	2023 \$	2022 \$
	At the beginning of the year		376,404,857	376,404,857	9,631,133	9,631,133
	Shares issued during the year:		-	-	-	-
	At reporting date		376,404,857	376,404,857	9,631,133	9,631,133

Note	7	Earnings per share (EPS)	Note	2023 \$	2022 \$
7.1	Reconciliation of earnings to profit or loss				
	Profit or (loss) for the year			(11,802,701)	(2,351,118)
	Less: loss attributable to non-controlling equity interest			(1,159,306)	(185,171)
	Profit or (loss) used in the calculation of basic and diluted EPS			(10,643,395)	(2,165,947)
				2023 No.	2022 No.
7.2	Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS			376,404,857	376,404,857
	Weighted average number of dilutive equity instruments outstanding	7.5		N/A	N/A
7.3	Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS			376,404,857	376,404,857
7.4	Earnings per share			2023 ¢	2022 ¢
	Basic EPS (cents per share)			(2.83)	(0.58)
	Diluted EPS (cents per share)	7.5		(2.83)	(0.58)
7.5	As at 30 June 2023 the Group has no unissued shares under options (2022: Nil).				

