

Appendix 4E - Preliminary Final Report

for the year ended 30 June 2024

30 August 2024

1. Company details

Name of entity:	Equity Story Group Ltd
ABN:	84 653 383 478
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	5.4% to	1,068,631
Loss from ordinary activities after tax attributable to the owners of Equity Story Group Ltd	down	25.3% to	(1,916,261)
Loss for the year attributable to the owners of Equity Story Group Ltd	down	25.3% to	(1,916,261)

Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,916,261, representing a 25% reduction from the FY2023 loss of \$2,565,934. EBITDA, including adjustments for share-based payments and extraordinary loss items, for FY2024 is (\$1,221,873), a 52% improvement from (\$2,556,743) in FY2023.

The significant improvement in operating loss is due to cost management initiatives across the Group implemented by the Directors:

- 94% reduction in marketing costs, without a correlated reduction in revenue;
- 32% reduction in consulting costs and 31% reduction in employee benefits expense;
- 17% reduction in general corporate and administrative costs.

These improvements are reflected in the Group's cash flow results, with payments to suppliers and employees falling by 35% from \$3,295,978 to \$2,155,493. Net cash used in operating activities fell by 52% from \$2,115,043 to \$1,007,969.

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3. Consolidated statement of profit or loss and other comprehensive income

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$	\$
Revenue	1,055,211	1,107,475
Interest revenue calculated using the effective interest method	13,420	22,139
Expenses		
Advertising and marketing expense	(36,383)	(632,154)
Consulting fees	(265,297)	(392,315)
Employee benefits expense	(1,038,265)	(1,512,017)
Share-based payments expense	(163,154)	-
Depreciation and amortisation expense	(21,701)	-
Loss on disposal of subsidiary	(344,496)	-
Finance costs	(165,037)	(9,191)
Other expenses	(950,559)	(1,149,871)
Loss before income tax expense	(1,916,261)	(2,565,934)
Income tax expense	-	-
Loss after income tax expense for the year attributable to the owners of Equity Story Group Ltd	(1,916,261)	(2,565,934)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to the owners of Equity Story Group Ltd	<u>(1,916,261)</u>	<u>(2,565,934)</u>
	Cents	Cents
Basic earnings per share	(1.78)	(3.34)
Diluted earnings per share	(1.78)	(3.34)

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4. Consolidated statement of financial position

	Consolidated 30 Jun 2024	30 Jun 2023
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	808,458	1,223,549
Trade and other receivables	28,592	33,679
Income tax refund due	7,860	-
Other assets	33,933	21,898
Total current assets	878,843	1,279,126
Non-current assets		
Financial assets at fair value through other comprehensive income	126,798	26,798
Property, plant and equipment	3,092	-
Right-of-use assets	-	174,724
Intangibles	525,000	1,037,335
Other assets	-	32,835
Total non-current assets	654,890	1,271,692
Total assets	1,533,733	2,550,818
Liabilities		
Current liabilities		
Trade and other payables	541,110	349,201
Contract liabilities	275,229	317,362
Lease liabilities	-	87,775
Employee benefits	106,502	240,671
Total current liabilities	922,841	995,009
Non-current liabilities		
Trade and other payables	-	100,000
Contract liabilities	190,994	200,957
Borrowings	1,102,428	200,946
Lease liabilities	-	86,949
Total non-current liabilities	1,293,422	588,852
Total liabilities	2,216,263	1,583,861
Net assets/(liabilities)	(682,530)	966,957
Equity		
Issued capital	5,316,278	5,227,628
Reserves	920,124	742,000
Accumulated losses	(6,918,932)	(5,002,671)
Total equity/(deficiency)	(682,530)	966,957

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5. Consolidated statement of cash flows

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,147,524	1,180,935
Loss on disposal of asset	-	-
Payments to suppliers and employees	<u>(2,155,493)</u>	<u>(3,295,978)</u>
	(1,007,969)	(2,115,043)
Interest received	13,420	22,139
Interest and other finance costs paid	<u>(63,531)</u>	<u>(9,191)</u>
Net cash used in operating activities	<u>(1,058,080)</u>	<u>(2,102,095)</u>
Cash flows from investing activities		
Payments for investments	(253,190)	(251,960)
Payments for other non-current assets	-	(572)
Proceeds from disposal of business	(22,471)	-
Other	<u>-</u>	<u>8,209</u>
Net cash used in investing activities	<u>(275,661)</u>	<u>(244,323)</u>
Cash flows from financing activities		
Proceeds from borrowings	830,000	200,000
Share issue transaction costs	88,650	(140,282)
Repayment of lease liabilities	<u>-</u>	<u>(89,550)</u>
Net cash from/(used in) financing activities	<u>918,650</u>	<u>(29,832)</u>
Net decrease in cash and cash equivalents	(415,091)	(2,376,250)
Cash and cash equivalents at the beginning of the financial year	<u>1,223,549</u>	<u>3,599,799</u>
Cash and cash equivalents at the end of the financial year	<u><u>808,458</u></u>	<u><u>1,223,549</u></u>

6. Consolidated statement of changes in equity

	Issued capital	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
Consolidated				
Balance at 1 July 2022	5,227,628	593,000	(2,436,737)	3,383,891
Loss after income tax expense for the year	-	-	(2,565,934)	(2,565,934)
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	-	-	(2,565,934)	(2,565,934)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	<u>-</u>	<u>149,000</u>	<u>-</u>	<u>149,000</u>
Balance at 30 June 2023	<u><u>5,227,628</u></u>	<u><u>742,000</u></u>	<u><u>(5,002,671)</u></u>	<u><u>966,957</u></u>

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Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2023	5,227,628	742,000	(5,002,671)	966,957
Loss after income tax expense for the year	-	-	(1,916,261)	(1,916,261)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,916,261)	(1,916,261)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 21)	88,650	-	-	88,650
Share-based payments	-	178,124	-	178,124
Balance at 30 June 2024	<u>5,316,278</u>	<u>920,124</u>	<u>(6,918,932)</u>	<u>(682,530)</u>

7. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

8. Dividend reinvestment plans

Not applicable.

9. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(1.11)</u>	<u>(0.07)</u>

10. A) Control gained over entities

Name of entities (or group of entities)	Investorverse Pty Ltd
Date incorporated	29 November 2023
Ownership interest	100%

10. B) Loss of control over entities

Name of entities (or group of entities)	Blue Tree Equity Pty Ltd
Date control lost	29 May 2024

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\$

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material) 44,933

Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material) 44,933

11. Details of associates and joint venture entities

Not applicable.

12. Significant information

Refer to section 2 above.

13. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

14. Other significant information

Refer to section 2 above for commentary.

Operating segment information

	Equity Story Pty Ltd \$	Equity Story Securities Pty Ltd \$	Other segments \$	Total \$
Consolidated - 30 Jun 2024				
Revenue				
Sales to external customers	795,106	207,012	53,092	1,055,210
Other revenue	1,322	12,099	-	13,421
Total revenue	<u>796,428</u>	<u>219,111</u>	<u>53,092</u>	<u>1,068,631</u>
EBITDA	(415,104)	63,795	(1,047,138)	(1,398,447)
Depreciation and amortisation	(21,701)	-	-	(21,701)
Loss on disposal of discontinued operation	(344,496)	-	-	(344,496)
Interest revenue	1,322	12,098	-	13,420
Finance costs	-	-	(165,037)	(165,037)
Profit/(loss) before income tax expense	<u>(779,979)</u>	<u>75,893</u>	<u>(1,212,175)</u>	<u>(1,916,261)</u>
Income tax expense				-
Loss after income tax expense				<u>(1,916,261)</u>
Assets				
Segment assets	583,965	725,103	224,665	1,533,733
Total assets				<u>1,533,733</u>
Liabilities				
Segment liabilities	865,076	661,504	689,683	2,216,263
Total liabilities				<u>2,216,263</u>

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Consolidated - 30 Jun 2023

Revenue

Sales to external customers

Other revenue

Total revenue

EBITDA

Loss before income tax expense

Income tax expense

Loss after income tax expense

Assets

Segment assets

Total assets

Liabilities

Segment liabilities

Total liabilities

	Equity Story Pty Ltd \$	Equity Story Fund Pty Ltd \$	Other segments \$	Total \$
Sales to external customers	795,959	53,838	257,233	1,107,030
Other revenue	-	-	22,584	22,584
Total revenue	795,959	53,838	279,817	1,129,614
EBITDA	(1,888,704)	(136,455)	(540,775)	(2,565,934)
Loss before income tax expense	(1,888,704)	(136,455)	(540,775)	(2,565,934)
Income tax expense				-
Loss after income tax expense				(2,565,934)
Assets				
Segment assets	867,535	32,051	1,651,232	2,550,818
Total assets				2,550,818
Liabilities				
Segment liabilities	3,359,953	216,786	(1,992,878)	1,583,861
Total liabilities				1,583,861

15. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are in the process of being audited and no modification to the auditor's opinion is expected.

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

Corporate Enquiries

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