

Equity Story Group Ltd and Controlled Entities
Appendix 4D
Half-year report

1. Company details

Name of entity: Equity Story Group Ltd
ABN: 84 653 383 478
Reporting period: For the half-year ended 31 December 2023
Previous period: For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	31.2% to	444,576
Loss from ordinary activities after tax attributable to the owners of Equity Story Group Ltd	down	31.2% to	(743,148)
Loss for the half-year attributable to the owners of Equity Story Group Ltd	down	31.2% to	(743,148)

Comments

The loss for the consolidated entity after providing for income tax amounted to \$743,148 (31 December 2022: \$1,080,055).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.54)</u>	<u>(0.13)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. 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.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

Equity Story Group Ltd and Controlled Entities
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Half-year report

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Equity Story Group Ltd for the half-year ended 31 December 2023 is attached.

12. Signed

Signed _____



Ricky Fertig
Chairman

Date: 29 February 2024

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Equity Story Group Ltd and Controlled Entities

ABN 84 653 383 478

Interim Report - 31 December 2023

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Equity Story Group Ltd and Controlled Entities
Directors' report
31 December 2023

The directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Equity Story Group Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were non-executive directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ricky Fertig	Non-Executive Chair (Appointed 20 September 2023)
David John Tildesley	Executive Director
Mark Goes	Executive Director
Ben Loiterton	Non-Executive Chair (Resigned 20 September 2023)

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$743,148 (31 December 2022: \$1,080,055).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Ricky Fertig
Chairman

29 February 2024



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF EQUITY STORY GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 84 653 383 478**

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Equity Story Group Limited.

As the auditor for the review of the financial report of Equity Story Group Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro

Director

Sydney

Dated this 29th of February 2024

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Equity Story Group Ltd and Controlled Entities

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General information

The financial statements cover Equity Story Group Ltd as a consolidated entity consisting of Equity Story Group Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Equity Story Group Ltd's functional and presentation currency.

Equity Story Group Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

44 North Fort Road, Barracks Precinct, Manly NSW 2095

The principal activities of the consolidated entity during the financial period continue to be stock market trading advice, research, investor education and funds management. There were no significant changes in the nature of the consolidated entity's principal activities during the financial period.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 February 2024.

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Equity Story Group Ltd and Controlled Entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		\$	\$
Revenue	3	432,428	637,008
Interest revenue		12,148	9,502
Expenses			
Consulting fees		(92,708)	(37,683)
Employee benefits expense		(560,361)	(695,348)
Share-based payments expense		(117,343)	-
Depreciation and amortisation expense		(21,285)	(32,665)
Insurance		(56,167)	(94,330)
Merchant fees		(3,091)	(4,546)
Rent		-	(7,914)
Other expenses		(252,370)	(336,104)
Finance costs		(54,417)	(5,017)
Advertising and marketing		(29,982)	(512,958)
Loss before income tax expense		(743,148)	(1,080,055)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Equity Story Group Ltd		(743,148)	(1,080,055)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Equity Story Group Ltd		(743,148)	(1,080,055)
Earnings per share for loss from continuing operations attributable to the owners of Equity Story Group Ltd		Cents	Cents
Basic earnings per share	8	(0.69)	(0.98)
Diluted earnings per share	8	(0.69)	(0.98)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Equity Story Group Ltd and Controlled Entities
Consolidated statement of financial position
As at 31 December 2023

	Consolidated	
Note	31 Dec 2023	30 Jun 2023
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,291,942	1,223,549
Trade and other receivables	134,241	33,679
Other assets	144,306	21,898
Total current assets	<u>1,570,489</u>	<u>1,279,126</u>
Non-current assets		
Investment	126,798	26,798
Property, plant and equipment	1,223	-
Right-of-use assets	-	174,724
Intangibles	1,037,335	1,037,335
Other assets	25,960	32,835
Total non-current assets	<u>1,191,316</u>	<u>1,271,692</u>
Total assets	<u>2,761,805</u>	<u>2,550,818</u>
Liabilities		
Current liabilities		
Trade and other payables	178,938	83,632
Contract liabilities	348,412	317,362
Borrowings	-	87,775
Employee benefits	396,161	240,671
Deferred consideration	-	150,000
Other liabilities	5,362	115,569
Total current liabilities	<u>928,873</u>	<u>995,009</u>
Non-current liabilities		
Contract liabilities	229,160	200,957
Borrowings	1,059,000	287,895
Deferred consideration	100,000	100,000
Total non-current liabilities	<u>1,388,160</u>	<u>588,852</u>
Total liabilities	<u>2,317,033</u>	<u>1,583,861</u>
Net assets	<u>444,772</u>	<u>966,957</u>
Equity		
Issued capital	4	5,316,278
Reserves		742,000
Accumulated losses		(5,002,671)
Total equity		<u>444,772</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Equity Story Group Ltd and Controlled Entities
Consolidated statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	5,227,628	593,000	(2,436,737)	3,383,891
Loss after income tax expense for the half-year	-	-	(1,080,055)	(1,080,055)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,080,055)	(1,080,055)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	14,000	-	14,000
Balance at 31 December 2022	<u>5,227,628</u>	<u>607,000</u>	<u>(3,516,792)</u>	<u>2,317,836</u>

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	5,227,628	742,000	(5,002,671)	966,957
Loss after income tax expense for the half-year	-	-	(743,148)	(743,148)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(743,148)	(743,148)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 4)	88,650	-	-	88,650
Share-based payments	-	132,313	-	132,313
Balance at 31 December 2023	<u>5,316,278</u>	<u>874,313</u>	<u>(5,745,819)</u>	<u>444,772</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Equity Story Group Ltd and Controlled Entities
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Consolidated	
Note	31 Dec 2023	31 Dec 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	497,080	775,861
Payments to suppliers and employees (inclusive of GST)	<u>(1,083,647)</u>	<u>(1,737,879)</u>
	(586,567)	(962,018)
Interest received	12,148	9,502
Other revenue	2,544	-
Interest and other finance costs paid	<u>(5,874)</u>	<u>-</u>
Net cash used in operating activities	<u>(577,749)</u>	<u>(952,516)</u>
Cash flows from investing activities		
Payments for investments	(100,000)	(551,960)
Payments for deferred consideration	(150,000)	-
Payments for property, plant and equipment	(1,226)	-
Other	<u>-</u>	<u>(27,363)</u>
Net cash used in investing activities	<u>(251,226)</u>	<u>(579,323)</u>
Cash flows from financing activities		
Proceeds from issue of shares	4 90,000	-
Proceeds from borrowings	830,000	-
Share issue transaction costs	(1,350)	(140,282)
Repayment of lease liabilities	<u>(21,282)</u>	<u>(44,775)</u>
Net cash from/(used in) financing activities	<u>897,368</u>	<u>(185,057)</u>
Net increase/(decrease) in cash and cash equivalents	68,393	(1,716,896)
Cash and cash equivalents at the beginning of the financial half-year	<u>1,223,549</u>	<u>3,599,799</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,291,942</u></u>	<u><u>1,882,903</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

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Equity Story Group Ltd and Controlled Entities
Notes to the consolidated financial statements
31 December 2023

Note 1. Summary of significant accounting policies

Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The consolidated entity has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

Going concern

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

For the period ended 31 December 2023, the consolidated entity incurred an operating loss after tax from continuing operations \$743,148 (2022: \$1,080,055), and net cash outflows from operating activities of \$577,749 (2022: \$952,516). As at 31 December 2023, the consolidated entity had net assets of \$444,772 (2022: \$966,957). As the consolidated entity has incurred a loss and has net cash outflow from operating activities this may cast uncertainty over the consolidated entity's ability to continue as a going concern.

The Directors believe that it is reasonably foreseeable that the company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- Core business sales continue to be maintained, with ongoing marketing and subscriber growth initiatives underway.
- The Equity Story Securities division continues to exhibit promising results, demonstrating potential for future positive cash flows.
- During the period, the consolidated entity launched EQS 250, and initial results show a solid take-up of the product, with future annual and recurring revenues anticipated to further support the operations of the consolidated entity.
- There has been a substantial reduction in operating overheads, primarily due to a significant reduction of advertising and marketing costs, as well as cancellation of a premises lease, cancellation of software subscriptions, and a reduction in general expenses.
- Approximately 25% of the Company's Current and Non-Current Liabilities relate to unearned income from upfront cash sales of content subscription packages that are for platform access services to be delivered in future periods.
- Additionally, the Equity Story Fund is outperforming the benchmark this year.

Management have prepared cash flow forecasts which management considers demonstrates that the consolidated entity will generate sufficient cash flows to enable it to continue as a going concern and pay its debts as and when they fall due and payable. Accordingly, the financial statements have been prepared on a going concern basis.

Equity Story Group Ltd and Controlled Entities
Notes to the consolidated financial statements
31 December 2023

Note 2. Operating segments

Identification of reportable operating segments

There were three operating segments during the period which were membership subscriptions, securities and funds management.

The consolidated entity operated in Australia only during the period.

There were no intersegment sales/transfers.

Operating segment information

Consolidated - 31 Dec 2023	Membership Subscriptions \$	Securities \$	Funds Management \$	Unallocated \$	Consolidation Adjustments \$	Total \$
Revenue						
Subscription income	393,656	-	-	-	-	393,656
Other income	-	9,136	29,636	-	-	38,772
Total sales revenue	393,656	9,136	29,636	-	-	432,428
Interest income	50	12,098	-	-	-	12,148
Total revenue	393,706	21,234	29,636	-	-	444,576
EBITDA	(408,375)	(9,532)	29,727	(291,414)	-	(679,594)
Depreciation and amortisation	(21,285)	-	-	-	-	(21,285)
Interest revenue	50	12,098	-	-	-	12,148
Finance costs	(6,334)	-	-	(48,083)	-	(54,417)
Profit/(loss) before income tax expense	(435,944)	2,566	29,727	(339,497)	-	(743,148)
Income tax expense						-
Loss after income tax expense						(743,148)
Assets						
Segment assets	751,749	565,816	103,439	4,685,753	(3,344,952)	2,761,805
Total assets						2,761,805
Liabilities						
Segment liabilities	2,312,577	564,817	258,759	1,286,643	(2,105,763)	2,317,033
Total liabilities						2,317,033

Equity Story Group Ltd and Controlled Entities
Notes to the consolidated financial statements
31 December 2023

Note 2. Operating segments (continued)

Consolidated - 31 Dec 2022	Membership subscriptions \$	Securities \$	Funds Management \$	Unallocated \$	Consolidation Adjustments \$	Total \$
Revenue						
Subscription income	387,200	-	-	-	-	387,200
Other income	-	221,950	27,858	-	-	249,808
Total sales revenue	387,200	221,950	27,858	-	-	637,008
Interest income	-	-	-	9,502	-	9,502
Total revenue	387,200	221,950	27,858	9,502	-	646,510
EBITDA	(797,655)	-	(52,350)	(201,870)	-	(1,051,875)
Depreciation and amortisation	(32,665)	-	-	-	-	(32,665)
Interest revenue	-	-	-	9,502	-	9,502
Finance costs	(5,017)	-	-	-	-	(5,017)
Loss before income tax expense	(835,337)	-	(52,350)	(192,368)	-	(1,080,055)
Income tax expense	-	-	-	-	-	-
Loss after income tax expense						(1,080,055)
Consolidated - 30 Jun 2023						
Assets						
Segment assets	867,535	1,679	32,052	2,675,829	(1,026,277)	2,550,818
Total assets						2,550,818
Liabilities						
Segment liabilities	3,358,953	1,875	216,786	(1,993,753)	-	1,583,861
Total liabilities						1,583,861

Note 3. Revenue

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
<i>Revenue from contracts with customers</i>		
Subscription income	393,656	387,200
<i>Other revenue</i>		
Other revenue	38,772	249,808
Revenue	<u>432,428</u>	<u>637,008</u>

Note 4. Issued capital

	Consolidated			
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>108,993,464</u>	<u>106,993,464</u>	<u>5,316,278</u>	<u>5,227,628</u>

Equity Story Group Ltd and Controlled Entities
Notes to the consolidated financial statements
31 December 2023

Note 4. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	106,993,464		5,227,628
Placement	19 September 2023	2,000,000	\$0.045	90,000
Cost of raising		-	-	(1,350)
Balance	31 December 2023	<u>108,993,464</u>		<u>5,316,278</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 5. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 6. Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting period.

Note 7. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 8. Earnings per share

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Loss after income tax attributable to the owners of Equity Story Group Ltd	<u>(743,148)</u>	<u>(1,080,055)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>107,873,899</u>	<u>110,725,866</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>107,873,899</u>	<u>110,725,866</u>
	Cents	Cents
Basic earnings per share	(0.69)	(0.98)
Diluted earnings per share	(0.69)	(0.98)

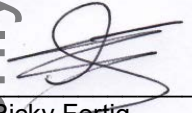
Equity Story Group Ltd and Controlled Entities
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Ricky Fertig
Chairman

29 February 2024

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**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
EQUITY STORY GROUP LIMITED AND CONTROLLED ENTITIES
ABN 84 653 383 478**

Conclusion

We have reviewed the half-year financial report of Equity Story Group Limited, which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, a summary of significant accounting policies and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Equity Story Group Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Equity Story Group Limited financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of Equity Story Group Limited in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of Equity Story Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Emphasis of Matter on Going Concern

We draw your attention to Note 1 on going concern in the financial report, which indicates that the consolidated entity incurred an operating loss after tax from continuing operations \$743,148 (2022: \$1,080,055), and net cash outflows from operating activities of \$577,749 (2022: \$952,516). As at 31 December 2023, the consolidated entity had net assets of \$444,772 (2022: \$966,957). These events and conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast doubt of the consolidated entity's ability to continue as a going concern, our opinion is not modified in respect of this matter.



Responsibility of the Directors for the Financial Report

The directors of Equity Story Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro

Director

Sydney

Dated this 29th of February 2024