

## Quarterly Activities Report – September 22

---

Sydney, 28 October 2022: Equity Story Group Ltd (“**Equity Story**” or “**the Company**”, **ASX:EQS**) is pleased to present its consolidated quarterly cash flow report and business update for the quarter ended 30 September 2022 (**September Quarter** or **Q1 FY23**).

### Operational Highlights

- The Company had a busy Quarter focusing on revenue generation from sales of member subscriptions to the core *Equity Story* media service, which includes access for our members to our daily podcasts, market commentary, trading strategies and stock analysis.
- The Company’s subscriber-based online investing, news and arts media subsidiary *A Rich Life* (“*ARL*”) recorded pleasing growth in subscriber revenues, and *ARL* Editor in Chief Claude Walker joined the *Equity Story* commentary team with regularly appearances on the *Equity Story* podcasts. Cross-marketing of the services has also started.
- New revenue streams are being put in place including preparations to launch Stock Trader Education Seminars branded “*Cincinnati Trading Method*” which has been developed by the Company over 8 years. This will be marketed and offered as a standalone product, initially to the Australian investing public, with the intention of rolling out into overseas markets once established in the local market.
- Another newly implemented revenue stream is *Capital Markets*, providing access for wholesale investor members to corporate opportunities via new AFSL CAR licensee subsidiary Equity Story Securities Pty Limited (“*ESS*”).
- The Company plans to growth this division, distributing equity and debt investment opportunities to qualifying S.708 Sophisticated Investors that are also members of *Equity Story* to generate raising fees.
- During the Quarter *Equity Story Securities* earned revenues of ~\$180k from *Capital Markets* unit activities.

- The Company continued during the Quarter to explore a range of joint venture, affiliate marketing, and M&A opportunities.
- Since ASX listing in May 2022 management has been improving and implementing reliable internal systems and reporting lines to prepare for growth, including HR, finance, forecast budgeting, and governance.
- Much work is also going into improving sales effectiveness, digital marketing, lead generation, adjusting product packages and pricing.

## Financial Highlights

Financial highlights for the Quarter include:

- Receipts from customers was up 124% for the Quarter to \$467k, versus \$208k in the June Quarter.
- Operating overheads (staff, admin & corporate) increased by 9% compared with the previous Quarter with the ongoing investment in people and resources to enable future growth.
- Core subscription sales was softer than expected as a result of adjustments to sales methods, sales team staff, and online advertising strategies. Significant changes are underway to improve marketing and core product sales.
- Total headcount is currently 16 including 10 full-time employees and 6 part-time employees and contractors, including directors.
- The Company made strategic investments of \$552k during the Quarter including the acquisition of *A Rich Life* and an investment in AusBiz TV Pty Limited.
- Items at 6.1 in the accompanying Appendix 4C are payments to directors of the Company, including director's fees, consulting fees, and wages and salaries paid to executive directors for performing management duties.
- End of quarter cash balance was \$2.663 million.

## Use of Funds

The EQS IPO Prospectus, dated 4 February 2022, noted that the Company would work to grow the business by investing capital raised in the IPO according to an estimated Use of Funds.

In accordance with ASX Listing Rules the Company discloses the following update in respect of funds invested during the quarter as compared with the Use of Funds set out in the Prospectus.

	Amount in Prospectus (\$)	Total Allocated Since IPO (\$)
Funds raised from the Offer	\$4,640,000	
<b>Allocation of funds</b>		
Advertising	\$1,060,000	\$205,217
Marketing – Growth and Customer Acquisition (including events)	\$800,000	\$186,331
Market Analysis	\$280,000	\$50,000
Further Investment and Development of Technology	\$100,000	\$17,135
Licensing Expansion	\$180,000	\$27,480
Expenses of the Offer	\$521,000	\$474,658
Administration Costs	\$999,000	\$436,560
Working capital	\$700,000	\$579,323
<b>Total</b>	<b>\$4,640,000</b>	<b>\$1,976,704</b>

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.

## Strategic Objectives

Equity Story's key strategic focus includes:

- Growing the core subscriber base for *Equity Story* and *A Rich Life* and membership revenues by expanded direct sales, advertising and marketing efforts.
- Expansion of the range and depth of investment market content, by adding new podcasts and written media, and engaging additional talented market commentators.
- Launching and marketing the *Cincinnati Trading Method* share trading education courses via webinars and events.
- Expansion of the range of financial services available to our members, such as *Funds Management* and access to investment opportunities via the *Capital Markets* unit, with other services to be added in due course.
- Seeking to engage partners for distribution of our content and services.
- Seeking acquisitions and joint ventures with new market commentators, podcast talent and adjacent financial services providers.

Equity Story's board and team are excited and confident about the planned growth pathway and the many opportunities which lie ahead for the Company in the stock market content, education and platform services marketplace.

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

---

**ENDS**

## **About Equity Story Group Ltd**

Equity Story Group Ltd (ASX:EQS) is an Australian investor media company providing stock market trading advice, research, investor education, funds management and capital markets services.

The Company' 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 is looking to offer other adjacent financial services to its members including securities trading, member access to corporate investment opportunities, and additional financial services and content.

Equity Story listed on ASX on 3 May 2022.

For more information, please visit us: [www.equitystory.com.au](http://www.equitystory.com.au)

### **Corporate Enquiries**

Trent McGraw

Equity Story Group Ltd

T: +61 02 9907 9652

[support@equitystory.com.au](mailto:support@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")**

September 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	467	467
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	217	217
(d) leased assets		
(e) staff costs	321	321
(f) administration and corporate costs	286	286
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
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>(357)</b>	<b>(357)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	252	252
(c) property, plant and equipment	1	1
(d) investments	300	300
(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		
	(e) intellectual property		
	(f) other non-current assets	8	8
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	(35)	(35)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(580)</b>	<b>(580)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
3.5	Proceeds from borrowings		
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>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	3,600	3,600
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(357)	(357)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(580)	(580)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,663</b>	<b>2,663</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,663	2,663
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,663</b>	<b>2,663</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	279
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<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>		



## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	0	0
<b>7.5 Unused financing facilities available at quarter end</b>		0
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(357)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,663
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	2,663
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	7.5
<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: 28 October 2022

The Board of Directors of Equity Story Group Ltd

Authorised by: .....  
(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.