

Equity Story Group Ltd ABN 84 653 383 478 and Controlled Entities

Appendix 4D

Half-Year Report

Period ended 31 December 2022

This information is provided under listing rule 4.2A.3 for the half-year ended 31 December 2022 and includes comparative information for the half-year ended 31 December 2021.

Results for Announcement to the market

	Half-year ended 31 December 2022 \$	Half-year ended 31 December 2021 \$	Amount Change \$	% change
Revenue from ordinary activities	646,510	589,149	57,361	9.7%
(Loss) for the period attributed to members	(1,080,055)	(654,999)	(425,056)	(64.9)%
No dividends have been paid, declared or recommended by the Company during the half-year ended 31 December 2022				

Net tangible assets per security		
	As at 31 Dec 2022 cents	As at 30 June 2022 cents
Net tangible assets per ordinary share (excluding shares to be issued)	1.3	2.7

Review report

This report is based on accounts which have been reviewed by MNSA Pty Ltd.



Equity Story Group Ltd

ABN 84 653 383 478
and Controlled Entities

Consolidated Interim Financial Report
For the period ended 31 December 2022

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DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Your Directors present their report together with the Consolidated Financial Statements of Equity Story Group Ltd ("the Group") for the half year ended 31 December 2022.

Directors

The names of the Directors in office during and since the end of the financial period, unless otherwise stated, are as follows:

Ben Loiterton	Non-Executive Chair
Trent McGraw	Executive Director and Chief Executive Officer (resigned 2 January 2023)
David John Tildesley	Executive Director
Mark Goes	Executive Director

Review and results of operations and financial position

The Group recorded a consolidated loss of \$1,080,055 for the period ended 31 December 2022 (31 December 2021 loss: \$654,999).

COVID-19 Impact Assessment

There was no material impact during the period.

Subsequent Events

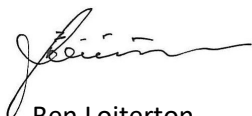
No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years;
- (b) the results of those operations in future financial years;
- (c) the Group's state of affairs in future financial years.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the period ended 31 December 2022 has been received and can be found on page 5.

Signed in accordance with a resolution of the Board of Directors:



Ben Loiterton
Chairman
24 February 2023



**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 2022, 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 24th of February 2023

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

	Notes	Consolidated Half Year Ended 31 Dec 2022 \$	Consolidated Half Year Ended 31 Dec 2021 \$
Continuing Operations			
Revenue from services	3	387,200	565,359
Other income	3	259,310	23,790
Total Revenue and Other Income		<u>646,510</u>	<u>589,149</u>
Expenses			
Advertising and marketing expenses		(512,958)	(159,688)
Consulting fee		(37,683)	(31,988)
Depreciation and amortisation		(32,665)	(6,310)
Employee benefits expense		(695,348)	(653,515)
Finance costs		(5,017)	(1,107)
Other expenses	4	(442,894)	(391,540)
Total Expenses		<u>(1,726,565)</u>	<u>(1,244,148)</u>
Loss Before Income Tax		(1,080,055)	(654,999)
Income tax expense		-	-
Net Loss for the Period		<u>(1,080,055)</u>	<u>(654,999)</u>
Other comprehensive Income			
Other comprehensive income for the period, net of tax		-	-
Total Comprehensive Loss for the Period		<u>(1,080,055)</u>	<u>(654,999)</u>
Loss for the Period is Attributable to:			
Non-controlling interests		-	-
Owners of Equity Story Group Ltd		(1,080,055)	(654,999)
		<u>(1,080,055)</u>	<u>(654,999)</u>
Total Comprehensive Loss for the Period is Attributable to:			
Non-controlling interests		-	-
Owners of Equity Story Group Ltd		(1,080,055)	(654,999)
		<u>(1,080,055)</u>	<u>(654,999)</u>

**Earnings per Share for loss from continuing operations attributable to the ordinary equity holders
of Equity Story Group Ltd**

- Basic (loss) per share (cents)	10	(0.98)	(0.92)
- Diluted (loss) per share (cents)	10	(0.88)	(0.92)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	Consolidated As at 31 Dec 2022 \$	Consolidated As at 30 Jun 2022 \$
Current Assets			
Cash and cash equivalents		1,882,903	3,599,799
Other assets		104,831	36,920
Total Current Assets		<u>1,987,734</u>	<u>3,636,719</u>
Non-Current Assets			
Right-of-use assets		215,623	248,288
Goodwill and intangible assets		1,037,335	535,375
Investments		26,798	26,798
Other assets		339,710	47,918
Total Non-Current Assets		<u>1,619,466</u>	<u>858,379</u>
Total Assets		<u>3,607,200</u>	<u>4,495,098</u>
Current Liabilities			
Trade and other payables		20,293	183,531
Contract liabilities		353,627	294,464
Lease liabilities		84,173	60,883
Deferred consideration		150,000	-
Other liabilities		236,139	183,494
Total Current Liabilities		<u>844,232</u>	<u>722,372</u>
Non-Current Liabilities			
Contract liabilities		213,682	194,336
Lease liabilities		131,450	194,499
Deferred consideration		100,000	-
Total Non-Current Liabilities		<u>445,132</u>	<u>388,835</u>
Total Liabilities		<u>1,289,364</u>	<u>1,111,207</u>
Net Assets		<u>2,317,836</u>	<u>3,383,891</u>
Equity			
Issued capital	5	5,227,628	5,227,628
Option reserve		607,000	593,000
Accumulated losses		(3,516,792)	(2,436,737)
Equity attributable to owners of Equity Story Group Ltd		<u>2,317,836</u>	<u>3,383,891</u>
Non-controlling interests		<u>-</u>	<u>-</u>
Total Equity		<u>2,317,836</u>	<u>3,383,891</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

Consolidated Group	Issued Capital \$	Accumulated Losses \$	Option Reserve \$	Total \$
Balance as at 1 July 2021	940,399	(61,663)	-	878,736
Loss for the financial period	-	(654,999)	-	(654,999)
Shares issued during the period	675,995	-	-	675,995
Share issue costs	(78,575)	-	-	(78,575)
Balance as at 31 December 2021	1,537,819	(716,662)	-	821,157
 Balance as at 1 July 2022	 5,227,628	 (2,436,737)	 593,000	 3,383,891
Loss for the financial period	-	(1,080,055)	-	(1,080,055)
Options issued during the period	-	-	14,000	14,000
Balance as at 31 December 2022	5,227,628	(3,516,792)	607,000	2,317,836

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

	Consolidated Half Year Ended 31 Dec 2022 \$	Consolidated Half Year Ended 31 Dec 2021 \$
Cash flow from operating activities		
Receipts from customers	775,861	565,359
Payments to suppliers and employees	(1,737,879)	(818,190)
Interest received	9,502	-
Income tax paid	-	(11,243)
Net cash (used in) operating activities	(952,516)	(264,074)
Cash flow from investing activities		
Director loan repayments	-	(40,000)
Payments for investments	(551,960)	-
Proceeds from acquisitions	-	458,662
Other	(27,363)	-
Net cash (used in) / provided by investing activities	(579,323)	418,662
Cash flow from financing activities		
Proceeds from borrowings	-	67,693
(Payments) for capital raising costs	(140,282)	(20,000)
Lease (payments)	(44,775)	(8,250)
Net cash (used in) / provided by financing activities	(185,057)	39,443
Net (decrease) / increase in cash held	(1,716,896)	194,031
Cash and cash equivalents at the beginning of the period	3,599,799	229,348
Cash and cash equivalents at the end of the period	1,882,903	423,379

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

NOTE 1: Statement of Significant Accounting Policies**Basis of Preparation**

These general purpose interim financial statements for the half year reporting period ended 31 December 2022 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Equity Story Group Ltd and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the following half year.

Accounting Policies

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 Group 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.

NOTE 2: Business Acquisition

Acquisition of Blue Tree Equity Pty Ltd

Equity Story Group Ltd acquired Blue Tree Equity Pty Ltd, trading as A Rich Life ("ARL") on 1 July 2022. ARL is an online investing, news and arts media company from renowned equities commentator Claude Walker. ARL brings around 400 new paying subscribers; a new website with a wider and younger audience; expanded and differentiated content, including financial media content; a pipeline of additional subscribers; and many operational synergies.

Total consideration payable for the acquisition of ARL is \$500,000, payable in instalments. There was an upfront payment of \$250,000 made on 1 July 2022; and additional payments of \$150,000 are due on 1 July 2023 and \$100,000 due on 1 July 2024.

In accordance with AASB 3: *Business Combinations*, the difference between the fair value of the deemed consideration paid by Equity Story Group Ltd and the fair value of the identifiable net assets of ARL, has been recognised as \$501,960 in goodwill of as set out below.

Details of the fair value of the identifiable net assets acquired and the excess consideration are set out below:

	\$
Deemed purchase consideration:	
Consideration	500,000
Add: fair value of net identifiable liabilities acquired	(1,960)
Goodwill and identified intangible	501,960

NOTE 2: Business Acquisition (Continued)

The fair value of the identifiable assets and liabilities of the Company at the date of acquisition was as follows:

	\$
Assets	
Cash and cash equivalents	76,167
Trade and other payables	(12,639)
Contract liabilities	(65,488)
Total identifiable net assets as fair value	(1,960)

	Consolidated Half Year Ended 31 Dec 2022 \$	Consolidated Half Year Ended 31 Dec 2021 \$
NOTE 3. Revenue and Other Income		
Revenue from ordinary activities		
Sales revenue:		
Subscription income	387,200	565,359
	<u>387,200</u>	<u>565,359</u>
Other revenue:		
Interest received	9,502	16
Other revenue	249,808	23,774
	<u>259,310</u>	<u>23,790</u>

NOTE 4. Other Expenses
Other expenses from ordinary activities

Insurance	94,330	32,541
Merchant fees	4,546	8,768
Rent	7,914	8,333
Other operating expenses	336,104	341,898
	<u>442,894</u>	<u>391,540</u>

NOTE 5: Issued Capital

	31 Dec 2022 No.	30 Jun 2022 No.	31 Dec 2022 \$	30 Jun 2022 \$
Current				
Fully paid ordinary shares	114,458,267	106,993,464	6,281,410	6,281,410
Capital raising costs	-	-	(1,053,782)	(1,053,782)
Closing balance	<u>114,458,267</u>	<u>106,993,464</u>	<u>5,227,628</u>	<u>5,227,628</u>

NOTE 5: Issued Capital (continued)

	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	No.	No.	\$	\$
Movements - Fully paid ordinary shares:				
At the beginning of the year	106,993,464	1	5,227,628	940,399
Capital raise	-	106,993,463	-	5,341,011
Cost of capital raise	-	-	-	(1,053,782)
Share issued	7,464,803	-	-	-
At the end of the year	114,458,267	106,993,464	5,227,628	5,227,628

NOTE 6: Dividends

No dividends were paid during the period.

NOTE 7: Events after the End of the Interim Period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years;
- (b) the results of those operations in future financial years;
- (c) the Group's state of affairs in future financial years.

NOTE 8: Operating Segments

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

The Group operated in Australia only during the period.

There were no intersegment sales/transfers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 8: Operating Segments (continued)

	Membership Subscriptions	Securities	Funds Management	Unallocated	Consolidation Adjustments	Consolidated Group
31.12.2022						
Membership fees	387,200	-	-	-	-	387,200
Interest income	-	-	-	9,502	-	9,502
Other income	-	221,950	27,858	-	-	249,808
Total revenue	387,200	221,950	27,858	9,502	-	646,510
Expenses	(1,222,537)	(221,950)	(80,208)	(201,870)	-	(1,726,565)
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)
31.12.2022						
ASSETS						
Total assets	1,027,671	467,742	151,002	2,597,869	(637,084)	3,607,200
LIABILITIES						
Total liabilities	2,472,117	547,575	251,632	214,785	(2,196,745)	1,289,364
31.12.2021						
Membership fees	565,359	-	-	-	-	565,359
Interest income	16	-	-	-	-	16
Other income	-	-	23,774	-	-	23,774
Total revenue	565,375	-	23,774	-	-	589,149
Expenses	(941,856)		(68,050)	(234,242)		(1,244,148)
Loss before income tax expense	(376,481)	-	(44,276)	(234,242)	-	(654,999)
Income tax expense						-
Loss after income tax expense						(654,999)
31.12.2021						
ASSETS						
Total assets	847,668	-	77,020	241,458	-	1,166,146
LIABILITIES						
Total liabilities	345,040	-	75,949	(76,000)	-	344,989

NOTE 9: Contingent Liabilities

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

NOTE 10: Earnings Per Share

	No. of Shares As at 31 Dec 2022	No. of Shares As at 31 Dec 2021
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	110,725,866	70,891,340
Weighted average number of ordinary shares outstanding during the period used in calculating diluted EPS	122,925,866	70,891,340

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 10: Earnings Per Share (Continued)

	Consolidated Half Year Ended 31 Dec 2022 \$	Consolidated Half Year Ended 31 Dec 2021 \$
Net loss after income tax attributable to shareholders	(1,080,055)	(654,999)
	Cents	Cents
Basic (loss) per share	(0.98)	(0.92)
Diluted (loss) per share	(0.88)	(0.92)

NOTE 11. Fair Value Measurements

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly observable).

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities:

	Level	As at 31 December 2022		As at 30 June 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$	\$	\$	\$
Financial assets					
Cash & cash equivalents	1	1,882,903	1,882,903	3,599,799	3,599,799
Other assets	1	444,541	444,541	84,838	84,838
Right-of-Use asset	2	215,623	215,623	248,288	248,288
Intangible assets	2	1,037,335	1,037,335	535,375	535,375
Investments	1	26,798	26,798	26,798	26,798
Financial liabilities					
Trade and other payables	1	20,293	20,293	183,531	183,531
Contract liabilities	1	567,309	567,309	488,800	488,800
Lease liabilities	1	215,623	215,623	255,382	255,382
Deferred consideration	1	250,000	250,000	-	-

NOTE 11. Fair Value Measurements (Continued)

The following table represents a comparison between the carrying amounts and fair values of non-financial assets and liabilities:

	Level	As at 31 December 2022		As at 30 June 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$	\$	\$	\$
Non-financial liabilities					
Provisions	2	236,139	236,139	183,494	183,494

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Equity Story Group Ltd, the Directors declare that:

1. The financial statements and notes, as set out on pages 6 to 15, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) giving a true and fair view of the consolidated group's financial position as at 31 December 2022 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Ben Loiterton
Chairman
24 February 2023



**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 2022, 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 other explanatory information, 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 2022 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.

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 2022 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 24th of February 2023