

Transformational Acquisition of Baker Young

21 July 2025

Equity Story Group Ltd (ASX: EQS) (**EQS** or **Equity Story**) is pleased to announce that it has finalised a binding sale and purchase agreement (**Sale Agreement**) to acquire the business and assets of Baker Young Limited (**Transaction**), a premier full-service wealth advisory firm based in Adelaide. Equity Story announced on 16 April 2025 that the parties had signed a binding heads of agreement regarding this Transaction. This strategic acquisition marks a significant milestone and a key step in EQS's national expansion, as well as the official launch of its integrated Wealth Management division.

Transaction Highlights

- **\$700M+** in Funds Under Management, including **\$180M** in Managed Discretionary Accounts
- **\$4.5 million** in FY24 Audited Revenue
- **40 years** of serving high-net-worth and retail clients with more than **6,000 client accounts**
- **Corporate Advisory expertise** to complement EQS's research and trading offerings
- Purchase Consideration of \$4.2m consisting of:
 - **\$3.0 million** upfront cash (funded via secured debt facility)
 - **\$1.2 million** performance-based earn-out
 - 10 million escrowed EQS options
- Baker Young brand remains, and co-founders Alan Young and David Baker remain in key roles.
- **Advisors and staff will participate** in an industry-leading profit-sharing model in addition to their salary/commission.

Strategic Fit and Integration

The synergies between Baker Young's advisory expertise and Equity Story's skills in investment research, trading education, and digital innovation form a diverse financial

services platform, tailored for Australian investors, with immediate benefits to both clients and EQS recurring revenue.

Baker Young offices are currently based in South Australia, NSW, and Queensland. Equity Story aims to expand Baker Young across Australia.

Baker Young's co-founders and joint managing directors, Alan Young and David Baker, have committed to staying with the business and the Group in key roles to ensure a smooth transition and uphold their legacy, foundations, and future growth, alongside key advisors and staff.

The Baker Young division will be headed by Kristian Young, who has been with the company for 30 years and has served as Chief Operating Officer and a Director for the past 20 years.

Funding and Governance

The acquisition will be funded by a \$3 million facility provided by Axiis Capital Pty Ltd.

This follows the \$500,000 strategic investment from Capital Haus Pty Ltd in February 2025, which appointed industry veteran Brendan Gow to the Board as Executive Chairman. These initiatives are part of a deliberate strategy to grow EQS's ecosystem across investor education, trading, advisory services, and funds management.

Client Benefits

For long-standing Baker Young clients, the high-quality, personalised service they've come to expect will continue, now with the added benefit of access to:

- Enhanced investment research and proprietary market insights
- Digital platforms and learning tools
- Broader investment solutions and access to capital opportunities
- A strengthened national presence

CEO Commentary

Shane White, CEO of Equity Story, remarked: *"This is a game-changing moment for EQS and its shareholders. The integration of Baker Young propels us into full-service wealth management, greatly increases our recurring revenue, and positions us for national expansion. We are building a diversified financial services group—founded on credibility and trust, boosted by technology, and focused on investor outcomes. Importantly, we welcome a team with extensive experience, a rich history of investor returns by a legacy brand, a strong client base, and a culture that aligns with our vision."*

About Baker Young

Baker Young runs a long-established private client investment firm with over 40 years of experience, serving a loyal client base of more than 6,000 accounts. The business offers:

- Full-Service Stockbroker in Australian & International listed securities execution and advice
- Portfolio Management and Wealth Advisory
- Capital Raising and Corporate Advisory
- Individually Managed Accounts with over 10 years proven performance record

Equity Story recognises strong synergies between its proprietary CTM (Chart, Timing, Momentum) trading system and Baker Young's fundamental research-driven approach, offering clients a distinctive blend of technical and fundamental insights.

Key terms of the transaction

Under the Sale Agreement, Equity Story's newly incorporated wholly-owned subsidiary A.C.N. 687 539 126 Pty Ltd (**Buyer**) will acquire Baker Young Limited's business and assets (including intellectual property and branding) for \$4.2 million, comprising an upfront payment of \$3 million (subject to adjustments) and an earn-out component of \$1.2 million, which will be payable subject to the Baker Young business satisfying certain conditions over a 10-month post-completion period. The Company intends to fund the acquisition through debt, as further detailed below.

The vendor company Baker Young Limited will retain the existing Australian Financial Services Licence (**AFSL**) as AFSLs are incapable of assignment at law. Baker Young Ltd (as holder of an AFSL) will, at Completion, appoint the Buyer as authorised representative under s916A of the Corporations Act, to provide the financial services that Baker Young is authorised to provide under its AFSL, under an authorised representative agreement (**CAR Agreement**).

In addition, Equity Story will issue 10 million options to Baker Young's nominees. The options will be exercisable during a 3-year term at an exercise price of 5 cents each. Half of the options are escrowed for 6 months, with the remaining escrowed for 12 months from the date of Completion. The Company intends to seek shareholder approval under Listing Rule 7.1 for the issue of the options, shortly after Completion.

The Sale Agreement contains representations and warranties that are customary for a transaction of this nature. Formal handover of operations will occur on 1 August 2025.

Financial Impact and Outlook

The transaction is projected to be earnings-accretive and is expected to boost the Group's revenue and recurring income significantly. Based on FY24 results, the transaction boosts Group revenue by over 400%, underscoring its immediate impact and strategic value. (Based on audited FY24 revenue for Baker Young and Equity Story.)

The acquisition includes a profit-share model for Baker Young advisers and staff, which will help attract more advisers as the Equity Story Group grows. The transaction aligns with the company's strategy of targeting selective M&A opportunities that support its goal of providing accessible, high-quality wealth services to retail and high-net-worth investors across Australia.

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

-ENDS

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About Equity Story Group Ltd

Equity Story Group Ltd (ASX: EQS) is a diversified Australian financial services company that offers investor education, market research, trading insights, wealth management, stockbroking, funds management, and capital markets services.

The Company provides equities market advice, proprietary trading strategies, and educational content through a subscription-based model, including written publications, podcasts, live seminars, and online courses.

Equity Story also provides members with exclusive investment opportunities, capital raises, and managed funds.

Equity Story also operates a dedicated, full-service Wealth Management and Stockbroking division under the Baker Young brand, providing portfolio management, listed securities advice, corporate advisory services, and discretionary account services.

For more information, please visit us: www.equitystory.com.au

