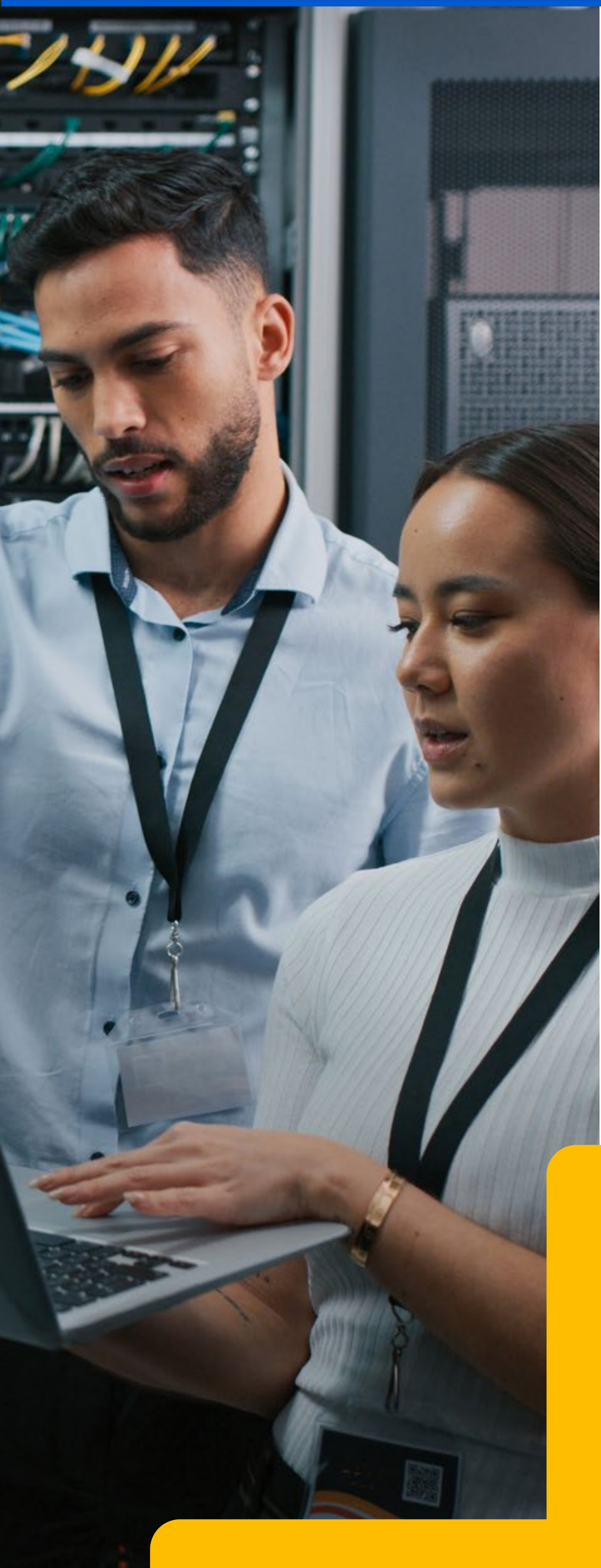
REPLACEMENT

Prospectus

StepChange Holdings Limited
ACN 678 129 756



For an initial public offer of 70,000,000 Shares at an issue price of $0.20 per Share to raise up to $14,000,000 before costs.

Oversubscriptions of up to a further 5,000,000 Shares at an issue price $0.20 per Share to raise up to a further $1,000,000 before costs may be accepted.

This is a replacement prospectus dated 13 June 2025. It replaces a prospectus dated 30 May 2025 relating to an offer of Shares in the issued capital of StepChange Holdings Limited (ACN 678 129 756).

Lead Manager and Underwriter

ORD MINNETT

Issuer Counsel

mpv LAWYERS

IMPORTANT NOTICE: This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your professional adviser. The Shares the subject of this Prospectus should be considered speculative.

Contents

Corporate Directory

BOARD OF DIRECTORS

Shane Bransby
(Managing Director)

Geoffrey Lewis
(Non-Executive Chairman)

Adam Simpson
(Independent Non-Executive Director)

COMPANY SECRETARY

Emma Wates

PROPOSED ASX CODE

STH

REGISTERED OFFICE

c/- MPH Lawyers

Suite 183, Level 6, 580 Hay Street
Perth WA 6000
T: (08) 9221 0033

SHARE REGISTRY

Automic Group Pty Ltd

Level 5, 191 St Georges Terrace
Perth WA 6000
T: (08) 9211 6670

INVESTIGATING ACCOUNTANT

McGrath Nicol Transaction Advisory Pty Ltd

Level 12, 44 Martin Place
Sydney NSW 2000
T: (02) 9338 2600

AUDITOR

Elderton Audit Pty Ltd

Level 32, 152 St Georges Terrace
Perth WA 6000
T: (08) 6324 2900

LEAD MANAGER AND UNDERWRITER

Ord Minnett Limited

Grosvenor Place
Level 18, 225 George Street
Sydney NSW 2000
T: (02) 8216 6300

SOLICITORS TO THE COMPANY

MPH Lawyers

Suite 183, Level 6, 580 Hay Street
Perth WA 6000
T: (08) 9221 0033

Important Notices

Prospectus

This Prospectus is issued by StepChange Holdings Limited (ACN 678 129 756) (**Company**).

This replacement prospectus is dated 13 June 2025 and a copy of this Prospectus was lodged with ASIC on that date (**Prospectus Date**). It replaces the prospectus issued by the Company dated 30 May 2025 and lodged with ASIC on that date.

Shares issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. These definitions are set out in Section 12 of this Prospectus.

Electronic Prospectus

A copy of this Prospectus can be downloaded at www.stepchangeholdings.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

While the offer of Shares pursuant to this Prospectus remains open, a paper copy of this Prospectus may be obtained free of charge on request by contacting the Company at the Company information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) from 8:00am to 7:00pm (AEST), Monday to Friday (excluding public holidays).

The offer of Shares pursuant to this Prospectus (other than an offer made under the Secondary Offer), including any electronic form of this Prospectus, is made only to persons resident in Australia.

Shares will only be issued with respect to an Application Form if the Company is satisfied the Application Form was attached to a hard copy of this Prospectus or accompanied a complete and unaltered version of this Prospectus. You must not pass the Application Form to another person unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus.

Expiry Date

This Prospectus expires on the date that is 13 months after the Prospectus Date (**Expiry Date**). No Shares will be issued on the basis of this Prospectus after the Expiry Date.

Compliance with ASX admission requirements

In addition to the purpose of raising funds under the Offer, this Prospectus is issued for the purpose of complying with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

ASIC, ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Note to Applicants

The information in this Prospectus is not investment or financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider the risk factors that could affect the performance of the Group. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, tax adviser or other independent professional adviser before deciding whether to invest in the Company. Some of the key risk factors that should be considered are set out in Section 7. There may be risk factors in addition to these that should be considered having regard to your personal circumstances.

You should also consider the assumptions underlying the Forecast Financial Information set out in Section 5.6 and the risk factors set out in Section 7 that could affect the Group's business, financial condition and results of operations.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus that is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company, the Lead Manager or any other person in connection with the Offer. You should rely only on information contained in this Prospectus when deciding whether to invest in the Company.

Ord Minnett Limited (**Ord Minnett**) has agreed to act as Lead Manager to the Offer. To the maximum extent permitted by law, the Lead Manager and its respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Exposure Period

The Corporations Act prohibits the Company from processing Applications in the 7 day period after lodgement of the original prospectus with ASIC on 30 May 2025 (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further 7 days.

The Exposure Period enables the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in the Prospectus. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Financial Information presentation

Section 5 sets out the details of the financial information referred to in this Prospectus (**Financial Information**). The basis of preparation and presentation in this Prospectus of the Financial Information is set out in Section 5.

The Financial Information is presented on both a statutory and pro forma basis and has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards (**AAS**) (including the Australian Accounting Interpretations issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards (**IFRS**) and interpretation issued by the International Accounting Standards Board (**IASB**).

Investors should note that certain financial data included in the Prospectus is not recognised under the AAS and is classified as “non-IFRS financial information” under Regulatory Guide 230 “Disclosing non-IFRS financial information” published by ASIC. The Company believes that this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of the Company and the Group. The non-IFRS financial measures do not have standardised meanings under the AAS and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be interpreted as an alternative to other financial measures determined in accordance with the AAS. Investors are cautioned not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.

The Financial Information is presented in an abbreviated form insofar as it does not include all disclosures, statements and comparative information as required by AAS and other mandatory professional reporting requirements applicable to general-purpose financial reports prepared in accordance with the Corporations Act.

This Prospectus includes Forecast Financial Information which is based on the best-estimate assumptions of the Directors.

The Financial Information should be read in conjunction with, and is qualified by reference to, the information contained in Sections 5 and 6. All financial amounts contained in this Prospectus are expressed in Australian dollars, unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Market and Industry Data

This Prospectus (in particular, but not exclusively, Section 4) contains industry data and/or forecasts which have been obtained from third-party reports, industry publications, opinions, market data and publicly available information (**Industry Data**). The Industry Data uses third-party estimates and projection and may state or imply that the information contained in them has been obtained from sources thought to be reliable; however the Company has not independently verified the accuracy or completeness of the Industry Data and accordingly cannot confirm its accuracy or the accuracy of the underlying assumptions. Investors are therefore cautioned against placing undue reliance on such Industry Data. The industry in which the Company operates involves risks and uncertainties, including those risks set out in Section 7.

Risk factors

You should read the entire Prospectus. In considering the prospects of the Company, you should consider the risk factors that could affect the performance of the Company. Please refer to Section 7 for further information about risks applicable to the Company.

Overseas persons

This Prospectus does not, and is not intended to, constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Forward-looking statements

All statements contained in this Prospectus that are not statements of historical fact constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “may”, “will”, “would”, “could”, “expects”, “anticipates”, “intends”, “estimates”, “believes”, “plans”, or similar words and phrases. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Company's expected financial position, business strategy, plans and prospects are forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by those forward-looking statements.

All forward-looking statements by or attributable to the Company, or persons acting on the Company's behalf, contained in this Prospectus are expressly qualified in their entirety by such factors. Given the risks and uncertainties that may cause the Company's actual future results, performance or achievements to be materially different than expected, expressed or implied by the forward-looking statements in this Prospectus, the Company advises you not to place undue reliance on those statements.

Statements of past performance

This Prospectus includes information regarding the past performance of the Company and StepChange. Investors should be aware that past performance does not represent, and should not be relied upon as being indicative of, future performance.

Important notice to New Zealand residents

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (FMC Act). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an "investment business" within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is "large" within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a "government agency" within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an "eligible investor" within the meaning of clause 41 of Schedule 1 of the FMC Act.

Important notice to Hong Kong residents

WARNING: This document has not been, and will not be, registered as a prospectus under the *Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)* of Hong Kong, nor has it been authorised by the *Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571)* of the Laws of Hong Kong (SFO). Accordingly, this document may not be distributed, and the Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within 6 months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Important notice to Singapore residents

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the *Securities and Futures Act 2001* of Singapore (SFA) or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Important notice to United Kingdom residents

Neither this document nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (FSMA)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons

(i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005* (FPO);

(ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO; or

(iii) to whom it may otherwise be lawfully communicated ("relevant persons").

The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Photographs and diagrams

Photographs used in this Prospectus which do not have a description are for illustration purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Privacy

By completing the Application Form, you are providing personal information to the Company through the Share Registry.

The Company and the Share Registry, on behalf of the Company, may collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration related to the Company. Some of this personal information is collected as required or authorised by certain laws including the *Income Tax Assessment Act 1997* (Cth) and the Corporations Act.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company which it considers may be of interest to you. Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy and applicable laws. The members, agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry, for ongoing administration of the register of members;
- printers and other companies, for the purpose of preparation and distribution of statements and for handling mail;
- market research companies, for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers, for the purpose of administering, and advising on, the Shares and for associated actions.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register of members. The information contained in the Company's register of members must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders), and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the Corporate Directory. Applicants can obtain a copy of the Company's privacy policy by visiting the Company's website (www.stepchangeholdings.com).

Disclaimer

Except as required by law, and only to the extent so required, none of the Company, its Board, Management, the Lead Manager or any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving a holding statement, even if such person received confirmation of allocation from the Company or confirmed their firm allocation through a Broker. Ord Minnett has acted as Lead Manager to the Offer and has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus that is based on any statement made by the Lead Manager or by any of its affiliates, officers or employees. To the maximum extent permitted by law, the Lead Manager and each of its affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their respective names, and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Questions

If you have any questions about how to apply for Shares, please call the Company information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) from 8:00am to 7:00pm (AEST), Monday to Friday (excluding public holidays). Instructions on how to apply for Shares are set out in Section 2 of this Prospectus and on the Application Form. If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer, or other professional adviser.

Replacement Prospectus

This Prospectus is a replacement prospectus and makes changes to the original prospectus dated 30 May 2025. The material changes made to the original prospectus were:

- providing a clearer explanation regarding SAP and StepChange's business model in the Chairman's Letter;
- by providing additional disclosure in Sections 1.5 and 7.2 in respect of some of the risks which should be considered by investors in connection with the provisions of StepChange's material contracts (including in respect of the term of those contracts and termination rights of the counterparties);
- by providing additional disclosure regarding the Condition and the conditions under the Acquisition Agreement in Section 1.6 and 2.16;
- providing additional disclosure regarding the capital structure of the Company following the payment of the Earn-out Consideration by way of amendments to Sections 2.8, 2.10 and 2.16;
- by amending Sections 3.2.4 and 9.3.1 to provide clarification in connection with StepChange's contractual arrangements with its customers;
- by amending Section 3.2.1 to provide clarification in respect of StepChange's delivery capabilities;
- by providing additional disclosure in Section 3.3.1 in relation to StepChange's revenue model;
- by providing additional disclosure in Section 3.5 in connection with the Company's intention to pursue inorganic growth opportunities;
- by providing additional disclosure in Section 5.8 in connection with the sensitivity analysis to clearly show the impact of change on significant assumptions made in the Forecast Financial Information and the underlying inputs of that sensitivity analysis;
- by providing additional disclosure in Section 9.2 in connection with the Earn-out Consideration payable to the Vendors;
- by providing additional disclosure in Section 9.3 in connection with StepChange's material contracts and details regarding the term, termination provisions and termination notice periods under each of those contracts; and
- by providing additional disclosure in Section 9.4 regarding any related party transactions which StepChange or the Company are a party to.

Chairman's Letter

Dear Investor

On behalf of the Board of StepChange Holdings Limited (**Company**), I am pleased to invite you to become a shareholder in the Company.

The Company was established to pursue IT services acquisition opportunities and has entered into the Acquisition Agreement enabling it to acquire StepChange Consultants Pty Ltd (**StepChange**).

StepChange can trace its origins back to 2003 and was incorporated by its current directors in 2014. It is a leading provider of consulting services which aim to streamline core business processes of client businesses (known as **Enterprise Resource Planning** or **ERP**), with a specific focus on ERP transformation services and solutions (such as modernising or upgrading client ERP systems to better align with their business objectives and improve efficiencies) and implementation services and solutions. StepChange delivers these services primarily through the use of ERP software modules developed and provided by SAP, a global leading provider of ERP software. StepChange's key service capabilities can be broadly categorised as services in connection with:

(a) Technology and Innovation;

(b) Leadership and Strategy; and

(c) ERP and Applications.

Additionally, StepChange has an emerging capability in providing Sustainability Affairs Support which involves providing project team members to assist in the use of ERP software systems (or modules) that support the client's subject-matter experts in the tracking and implementation of client ESG strategies to ensure alignment with the overall client organisation strategy and goals.

StepChange provides these services via a team of approximately 150 personnel,[1] delivering transformation solutions to global and local businesses.

StepChange also boasts a track record of strong financial performance, recording approximately $42.8 million of revenue and $3.65 million of EBITDA in FY24, continuing a history of profitability.[2]

> **StepChange also boasts a track record of strong finance performance, recording approximately $42.8 million of revenue and $3.65 million of EBITDA in FY24, continuing a history of profitability.**

1. As at 31 March 2025
2. Refer to Section 5

The global market for SAP is large and growing, with an expected total addressable market of over US$670 billion by 2025, growing at a CAGR of 12% from US$420 billion in 2021.[3] The SAP ecosystem is vast and covers multiple end markets, with SAP having a 20% market share in ERP systems compared to competitor products.[4] Further, the SAP professional partner network is expected to generate approximately 5 times the revenue of SAP in 2024, indicating a global market opportunity of more than $200 billion for SAP services providers such as StepChange.[5]

Under the Offer, the Company is seeking to raise gross proceeds of a minimum of $14 million and a maximum of $15 million at an Offer Price of $0.20 per Share. The proceeds raised will predominantly be used to fund the upfront cash consideration that is payable to the vendors of StepChange to acquire that entity, and to provide working capital to support the growth aspirations of the enlarged (post-acquisition) group of companies (**Group**).

This Prospectus contains important and detailed information in relation to the Offer, the Company, StepChange, the industry in which it operates, its statutory historical financial performance and the historical pro forma financial performance of the Group. An investment in the Company is subject to a range of risks which could adversely affect prices and demand for the Group's services and impact operational and financial performance, including: new and existing competitors; loss of key customers or a reduction in sales to key customers; decline in key customer industry sectors; key personnel risks; integration risks and risks associated with executing acquisitions. For more information about the key risks associated with an investment in the Company, please refer to Section 7.

I encourage you to read the Prospectus carefully and in its entirety, and to consult with your independent professional adviser in connection with the Offer.

On behalf of the Board of Directors, I thank you for considering an investment in the Company and look forward to welcoming you as a shareholder for the next exciting phase of the Company's journey.

Yours sincerely,

Geoffrey Lewis
Non-Executive Chairman,
StepChange Holdings Limited

> **The SAP professional partner network is expected to generate approximately five times the revenue of SAP in 2024, indicating a global market opportunity of more than $200 billion for SAP services providers such as StepChange.**

3. *SAP Ecosystem M&A Report – Equiteq, May 2023*
4. *SAP Ecosystem M&A Report – Equiteq, May 2023*
5. *SAP Ecosystem M&A Report – Equiteq, May 2023*

Key Offer Information

KEY DATES

Date of lodgement of original prospectus with ASIC and ASX	30 May 2025
Date of lodgement of Prospectus with ASIC and ASX	13 June 2025
Opening Date of the Broker Firm Offer	16 June 2025
Closing Date of the Broker Firm Offer	27 June 2025
Settlement under the Offer	2 July 2025
Settlement Date under Acquisition Agreement	2 July 2025
Completion and issue of Shares under the Offer (Allotment Date)	7 July 2025
Anticipated date for admission to ASX	10 July 2025

The above dates are indicative only and may change without notice. The Company, in consultation with the Lead Manager and Underwriter, reserves the right to vary any and all of the times and dates without notice (subject to the Listing Rules and the Corporations Act), including to close the Offer early, extend the Offer, or to accept late Applications (either generally or in particular cases), or to cancel or withdraw the Offer before settlement of the Offer.

KEY STATISTICS OF THE OFFER

	Minimum Subscription ($14 million)	Maximum Subscription ($15 million)
Shares currently on issue[1]	46.7 million	46.7 million
Shares to be issued under the Offer[2]	70.0 million	75.0 million
Shares to be issued under the Secondary Offer[3]	37.5 million	37.5 million
Total Shares on issue post-Listing (undiluted)[4]	156.7 million	161.7 million
Market capitalisation post-Listing at the Offer Price[5]	$31.3 million	$32.3 million
Pro forma cash and cash equivalents (on completion of the Offer)	$4.6 million	$5.6 million
Deferred consideration liability (payable in cash and scrip) and lease liabilities[6]	$5.8 million	$5.8 million
Enterprise value at the Offer Price[7]	$32.5 million	$32.6 million
Enterprise value[7] / Pro Forma FY26F Revenue[8]	0.7x	0.7x
Enterprise value[7] / Pro Forma FY26F EBITDA[9]	7.1x	7.1x
Market capitalisation post-Listing (undiluted)[5] / Aggregated Pro Forma FY26F NPAT[10]	9.6x	9.9x

Notes

1. *As described further in Section 2.9, includes 10,000,000 Shares issued to an entity controlled by Mr Shane Bransby and 2,661,000 Shares issued to Mr Geoffrey Lewis under the Agreement (refer to Section 9.4.8 for further information).*
2. *A minimum of 70,000,000 Shares and a maximum of 75,000,000 Shares to be issued under the Offer at an issue price of $0.20 per Share, to raise a minimum of $14,000,000 and a maximum of $15,000,000.*
3. *As described further in Section 9.2.1, the Secondary Offer comprises 37,500,000 Consideration Shares to be issued to the Vendors in part-payment for the Acquisition.*
4. *Excludes the Options to be issued to the Managing Director and Chief Financial Officer as part of their remuneration packages. The Options are exercisable at $0.286 per Option on or before 31 October 2029 and are subject to various vesting conditions. Refer to Sections 9.4.2, 9.4.3 and 9.4.5 for further information. Includes 2,500,000 Shares to be issued to Mr Geoffrey Lewis in satisfaction of the Second Milestone Payment (refer to Section 9.4.8.)*
5. *Market capitalisation is defined as the Offer Price multiplied by the total number of Shares on issue post-Listing (undiluted).*
6. *Liability for Earn-out Consideration of $5,700,000, up to 75% of which is, at the Company's election, payable by way of an issue of Shares, with balance in cash, as detailed in Section 9.2.*
7. *Enterprise Value at the Offer Price is defined as market capitalisation at the Offer Price, less pro forma cash and cash equivalents, add deferred consideration liability and lease liabilities.*
8. *The Enterprise Value / pro forma forecast FY26F revenue multiple is calculated as the enterprise value divided by the forecast FY26F EBITDA (refer to Section 5 for further details).*
9. *The Enterprise Value / pro forma forecast FY26F EBITDA multiple is calculated as the enterprise value divided by the forecast FY26F EBITDA (refer to Section 5 for further details).*
10. *The market capitalisation post-Listing (undiluted) / pro forma forecast FY26F NPAT multiple is calculated as market capitalisation (undiluted) at the Offer Price divided by the forecast FY26F NPAT (refer to Section 5 for further details).*

1. Investment Overview

StepChange

1. Investment Overview

This Section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

1.1 INTRODUCTION

Item	Summary	Further information
Who is the issuer of this Prospectus?	StepChange Holdings Limited (ACN 678 129 756)	Important notices
Who is the Company?	The Company is a company limited by shares which was incorporated in Western Australia on 12 June 2024 for the primary purpose of pursuing IT services acquisition opportunities and seeking admission to the Official List of ASX Limited. In that regard, the Company has entered into the Acquisition Agreement, pursuant to which it has the ability to acquire all of the issued shares in StepChange.	Section 3.1.1
Who are the Directors of the Company?	The Directors of the Company are: • Shane Bransby (Managing Director); • Geoffrey Lewis (Non-Executive Chairman); and • Adam Simpson (Independent Non-Executive Director). Profiles of each Director (and a statement as to their independence) are set out in Section 8.1.	Section 8.1
Who are the other Key Management Personnel and officers of the Group?	The Key Management Personnel of the Group will on completion of the Offer and Settlement consist of: • Richard Jarvis – (Chief Financial Officer); • Jason Nesa – (Joint Chief Executive Officer, StepChange); and • Kim Carroll – (Joint Chief Executive Officer, StepChange). The Company's Secretary is Emma Wates. The profiles of each of the Key Management Personnel and the Company Secretary are set out in Sections 8.1 and 8.2.	Sections 8.1 and 8.2
Who is the Lead Manager and Underwriter?	Ord Minnett is the Lead Manager and Underwriter to the Offer.	Section 9.1

Item	Summary	Further information
What are the interests of the Board and Key Management Personnel in the Group?	The Directors and Key Management Personnel will, pursuant to engagement letters/employment agreements (which are summarised in Section 9.4), receive the annual remuneration set out in the table below:	Section 9.4

Director/Key Management Personnel	Remuneration
Shane Bransby (Managing Director)	$325,000[1]
Geoffrey Lewis (Non-Executive Chairman)	$84,000[2]
Adam Simpson (Independent Non-Executive Director)	$60,000[2]
Richard Jarvis (Chief Financial Officer)	$250,000[1]
Jason Nesa (Joint Chief Executive Officer, StepChange)	$275,000[2]
Kim Carroll (Joint Chief Executive Officer, StepChange)	$275,000[2]

Notes:
1. *Exclusive of superannuation and performance-based incentive payments.*
2. *Inclusive of superannuation.*

Messrs Shane Bransby and Richard Jarvis are also entitled to certain short-term and long-term incentive arrangements. The terms of those arrangements are summarised at Sections 9.4.2, 9.4.3 and 9.4.5.

The Directors and Key Management Personnel will hold the following interests in Shares upon completion of the Offer and Settlement:

Director/Key Management Personnel	Number of Shares
Shane Bransby (Managing Director)[1]	11,601,440
Geoffrey Lewis (Non-Executive Chairman)[1,2]	23,712,000
Adam Simpson (Independent Non-Executive Director)	1,871,200
Richard Jarvis (Chief Financial Officer)[1]	Nil
Jason Nesa (Joint Chief Executive Officer, StepChange)[3,4]	22,500,000
Kim Carroll (Joint Chief Executive Officer, StepChange)[3,4]	15,000,000

Notes:
1. *Messrs Geoffrey Lewis, Shane Bransby, Adam Simpson, Richard Jarvis and their respective controlled entities are not assumed to apply for additional Shares under the Offer.*
2. *Includes 2,500,000 Shares to be issued to Mr Geoffrey Lewis (or his nominee) in satisfaction of the Second Milestone Payment (refer to Section 9.4.8).*
3. *The Shares in which each of Mr Jason Nesa and Ms Kim Carroll hold interests will be issued to their associated entities under the Secondary Offer in those entities' capacities as Vendors.*
4. *Each of the associated entities of Mr Jason Nesa and Ms Kim Carroll, in those entities' capacities as Vendors, may become to entitled to receive additional Shares in satisfaction of their entitlement to receive Earn-out Consideration (refer to Sections 2.10 and 9.2).*

1.2 INDUSTRY OVERVIEW

Item	Summary	Further information
What is the industry in which StepChange operates?	StepChange operates within the IT services market in Australia, within which its focus is on providing SAP-focused ERP services.	Section 4
What is the size of the industry in which StepChange operates?	As outlined in Section 4, in 2024, the overall IT services market in ANZ, which includes a range of products and services some of which are SAP related, was estimated at $58.6 billion and is forecast to reach $67 billion in 2026. Between 2019 and 2026 the market is anticipated to grow at 7.2% CAGR, well ahead of GDP growth over this period. Of the overall ANZ IT services market, the ANZ market for SAP services (excluding services provided by SAP itself) is estimated at $5,850 million in 2024. The SAP services market grew at 7.6% CAGR from 2019 to 2024, a stronger growth rate than the broader IT services market and particularly reflecting the strong demand for services to support S/4 HANA migrations as well as mid-market implementations.	Section 4
What are the key trends and drivers in the industry?	Key trends that are driving the use of IT services include: (a) the digital transformation of enterprises; (b) changing business models; (c) migration to cloud services; (d) increased propensity to outsource; and (e) business process automation.	Section 4
Who does StepChange compete with?	Key competitors in ERP services in ANZ include: (a) major global IT and management consultancies such as Accenture, Capgemini, KPMG, Deloitte, and EY; (b) global/regional IT service providers including Fujitsu, Wipro, Infosys, and NTT Data; and (c) locally owned companies operating across ANZ.	Section 4

1.3 BUSINESS MODEL

Item	Summary	Further information
Who is StepChange?	StepChange Consultants Pty Ltd (ACN 601 512 707).	Section 3.1.1
What does StepChange do?	StepChange, which can trace its business origins back to 2003 and which was incorporated by the current directors in 2014, is an Australian-based SAP ERP consulting firm which delivers transformation solutions to global and local businesses, with a client base featuring several "Tier 1" customers, being entities considered by the Directors to be highly attractive in the industry on account of their operation and financial scale and breadth of their requirements and a focus on the energy and resources sector.	Section 3.1.1
What are StepChange's delivery capabilities?	While the overall offering is flexible and can be tailored to particular customers, StepChange's key capabilities can broadly be categorised as: (a) Technology and Innovation; (b) Leadership and Strategy; and (c) ERP and Applications. Additionally, StepChange has an emerging capability in providing Sustainability Affairs Support which involves providing project team members to assist in the use of ERP software systems (or modules) that support the client's subject-matter experts in the tracking and implementation of client ESG strategies to ensure alignment with the overall client organisation strategy and goals. StepChange has a focus on SAP as its primary strategic technology partner.	Section 3.2.1
How does StepChange's business generate revenue?	The majority of StepChange's revenue is generated through the provision of project-based services. Revenue for such project-based services is primarily generated based on an agreed fee being payable to StepChange for services provided in accordance with a specific scope and subject to a range of assumptions (largely estimated time and materials).	Section 3.3.1
How does StepChange sell its services?	Origination of new projects can be broadly grouped into the below categories: (a) **Existing customers:** StepChange is regularly engaged by existing customers to work on new projects or extensions of existing projects. (b) **RFP tenders:** StepChange participates in both open and closed invitations to tender processes which are often used by government organisations and other large enterprises when procuring service providers for large-scale projects.	Section 3.3.2

Item	Summary	Further information
What are the key strengths of StepChange and the Group?	Key strengths of StepChange's business include: (a) **Breadth of offering:** StepChange's offering provides the capability for customers to be supported through the full ERP project cycle, from project inception through to design, execution and support. (b) **Independent provider:** StepChange's comprehensive ERP capabilities provide favourable differentiation and a clear competitive advantage against competitors with more application-specific or niche offerings. Equally, the Group will be well positioned as an independent alternative to major consulting companies, avoiding complications and conflicts that can arise in larger service providers. (c) **Technical leadership:** StepChange has an established extensive track record of delivering large and complex SAP ERP projects to major enterprises across a range of industries, resulting in strong expertise and frameworks. (d) **Scalable platform**: StepChange had a headcount of approximately 150 as at 31 March 2025, with the Group intending to hire and onboard new consultants in order to expand the billable resources of the Group. (e) **Sector-specific solutions:** StepChange has the ability to offer customers sector-specific packaged solutions, which serve as a point of validation and demonstrator of domain expertise with new customers in those sectors, enable new customers to onboard in a time and cost-efficient manner, and allow StepChange to offer reasonable price points while maintaining profit margins. (f) **Management and Board with extensive experience in IT services:** the Group's executive management team will be comprised of industry experts with over 50 years of combined experience in ERP transformation consulting. This will be complemented by the experience of Mr Geoffrey Lewis (Non-Executive Chairman) as a founder of 2 successful ASX IT services companies, ASG Group Limited (formerly ASX: ASZ) and COSOL Limited (ASX: COS), and Adam Simpson (Independent Non-Executive Director), who brings 30 years of leadership experience and is focused on instilling a high-performance culture within the Group. (g) **Strong financial profile:** StepChange has demonstrated an ability to grow both revenue (FY22 FY24 CAGR: 25%) and profitability over the past few years, possessing capacity to support debt which could provide the Group with an increased ability to fund potential future acquisitions.	Section 3.4

Item	Summary	Further information
What is the business and growth strategy of the Company and the Group?	The Group has numerous levers to drive growth across its businesses, with key areas including: (a) **The transition from on-premise to cloud**, with SAP terminating mainstream maintenance support for its legacy ERP ECC solution at the end of 2027, and only 33% of ECC users having bought or subscribed to licences to allow them to begin moving to S/4HANA (as at October 2023). (b) **Revenue growth from StepChange's existing customer base**, with a number of existing StepChange customers having growing businesses which present additional opportunities for StepChange. (c) **New logo wins** from StepChange's significant pipeline of opportunities with potential customers across Australia. (d) **Expansion of service offerings**, with a number of opportunities to support a wider range of SAP-related ERP solutions. (e) **Growing its presence across Australia**, including in the economic centres on Australia's east coast. (f) **Inorganic growth opportunities** through the acquisition of suitable organisations which represent an opportunity to complement and accelerate its objectives.	Section 3.5

1.4 FINANCIAL INFORMATION

This information is included as a summary only. More detailed financial information, including a reconciliation between the Pro Forma Financial Information presented below and the Statutory Financial Information can be found in Section 5.

The Company confirms that the Directors have made enquiries and that nothing has come to their attention to suggest that StepChange is not continuing to earn profit from continuing operations up to the date of this Prospectus.

Item	Summary	Further information
How will the Company fund its activities?	Following completion of the Offer and Settlement, the funding for the Company's activities (in the short to medium term) will be generated from the operating cash flows of the Business and the proceeds of the Offer.	Section 5
Has the Company provided prospective financial information for StepChange or the Group?	Yes, the Forecast Financial Information has been prepared by the Directors based on an assessment of current economic and operating conditions and on a number of best-estimate general and specific assumptions regarding future events and actions set out in Section 5.6. Minor movements in the gross profit margins achieved by the Business may have a material impact on the EBITDA achieved by the Company. The Forecast Financial Information should be read in conjunction with the sensitivity analysis described in Section 5.8, the risk factors described in Section 7. A reconciliation of the pro forma forecast to the Statutory Forecast Financial Information is provided in Section 5.3.4.	N/A

Item	Summary	Further information
What is StepChange's statutory historical and forecast financial performance?	The table below summarises StepChange's statutory historical and forecast financial performance.	Section 5.3.1

A$'000	FY22A	FY23A	FY24A	FY25AF	FY26F
Revenue	27,411	40,271	42,805	42,194	47,289
Gross profit	3,898	5,542	5,795	5,568	7,260
EBITDA (excl. Significant Items)	2,742	4,263	3,651	3,935	5,624
EBITDA (incl. Significant Items)	2,742	4,263	3,651	3,735	5,624
Net profit after tax	**1,986**	**3,218**	**2,741**	**2,604**	**4,080**

Item	Summary	Further information
What is the Group's aggregated pro forma historical and forecast financial performance?	The table below summarises the aggregated pro forma historical and forecast financial performance for the companies comprising the Group.	Section 5.3.2

A$'000	FY22A	FY23A	FY24A	FY25AF	FY26F
Revenue	27,411	40,271	42,805	42,194	47,289
Gross profit	3,898	5,542	5,795	5,568	7,260
EBITDA (excl. Significant Items)	1,675	3,152	2,695	2,869	4,557
EBITDA (incl. Significant Items)	1,675	3,152	2,695	2,668	4,557
Net profit after tax	**1,186**	**2,384**	**2,024**	**1,804**	**3,280**

The pro forma historical financial information does not reflect actual financial results. Pro forma adjustments have been made to StepChange's Statutory Historical Financial Information to reflect the Group's operating and capital structure that will be in place following Settlement as if it were in place as at 1 July 2021.

Sections 5.3.4, 5.4.3, and 5.5.2 of this Prospectus provide reconciliations of the Pro Forma Financial Information to the Statutory Financial Information.

Item	Summary	Further information
What is the Company's dividend policy?	There is no intention for the Company to pay a dividend in respect of FY26. The payment of a dividend by the Company is at the discretion of the Board and will be a function of a number of factors, including the Company's operating results, cash flows, future funding requirements, capital management initiatives, availability of franking credits and any other factors the Directors may consider relevant.	Section 5.9

1.5 KEY RISKS

Item	Summary	Further information
Failure to effectively attract new clients	The Business depends on StepChange's ability to attract further business from existing clients and to gain new clients. StepChange operates in a competitive industry and the Group's ability to attract new clients will be particularly dependent on the continued successful roll out of its service offerings. There is a risk that the Group will not be able to attract new clients or attract new clients at the rate, over the time frames or on the terms (including as to pricing and costs) it currently expects or which StepChange has experienced historically.	Section 7.2.1
Failure to effectively retain existing clients	The Business is dependent on StepChange's ability to retain existing clients in order to generate revenue. There is a risk that the Group will not be able to retain existing clients when contract terms expire, or otherwise retain those clients to use the Group's service offerings (whether at existing levels or at all).	Section 7.2.2
Decline in key client sectors or economic conditions	StepChange provides services to a number of clients in industry sectors such as energy, resources and government. Any future economic downturn, recessionary conditions or other economic or political factors relevant to these industry sectors could result in the take-up of the Group's solution and service offerings by existing and new clients in these sectors being reduced.	Section 7.2.3
Reliance on the SAP suite of software products	The Business is, to an extent, reliant on the SAP suite of software products. If this ecosystem is compromised or SAP's reputation is negatively impacted, this may impact on the Group's operations and future financial performance.	Section 7.2.4
Competition risk	StepChange faces competition from other ERP transformation solution providers, as well as from global enterprise software companies and companies offering in-house developed solutions. The Group will ultimately be competing against existing and potential competitors who may have significantly more financial and operational resources available to them as compared to those of the Group. There is accordingly a risk that any one or more of the following could occur: • the Group does not anticipate and adapt to changes in technology and key sector trends as quickly as its competitors; • technological advancements make existing products or services offered by the Group obsolete; • the Group's competitors improve their competitive positioning relative to the Group; • ERP software providers, including SAP, enhance the breadth of the functionality of their core products so as to reduce client demand for the Group's service offerings; • existing or potential competitors (including ERP software providers) increase their market share; and • new entrants into the ERP market compete directly with the services and solutions offered by the Group. If any of the above scenarios eventuate, this could have an adverse effect on the operational and financial performance of the Company and the Group.	Section 7.2.5

Item	Summary	Further information
Loss of key contracts	StepChange's relationships with its customers and suppliers are governed by its contractual arrangements with those parties which in the case of customer arrangements, may, in addition to any rights available to the counterparty in connection with termination upon a breach by StepChange of the terms of the relevant contractual arrangement, also be terminated for convenience by the relevant counterparty upon reasonable notice being required. Any failure to maintain, renew or replace key contracts and arrangements on commercially acceptable terms, or any failure by a party (including a member of the Group) to perform its obligations under such contracts or arrangements, could have a material adverse effect on the Business and the financial and operational performance of the Company and the Group. In particular, any failure to maintain, renew or replace contractual arrangements between StepChange and its top customer will likely have a significant material adverse effect on the Business and the financial and operational performance of the Company and the Group.	Section 7.2.6 and 9.3
Contractual terms	As is common for the industry in which StepChange operates, StepChange's contractual arrangements are primarily on the counterparty's terms and as a result include termination for convenience provisions and other provisions which may be considered as being favourable to the relevant client rather than StepChange. Additionally, many of these engagements operate as broader umbrella arrangements which enable, but do not oblige, the relevant counterparty to place purchase orders with StepChange. Accordingly, notwithstanding that a contract may be in place with a particular client, StepChange cannot guarantee any purchase orders will be placed under the relevant contractual arrangements.	Sections 7.2.7 and 9.3
Inability to meet forecasts	Some statements in this Prospectus constitute forward-looking statements, opinions or estimates, including the Forecast Financial Information set out in Section 5. Such forward-looking statements are based on the assumptions set out in Section 5.6 and involve various risks, uncertainties and factors, known and unknown, that may impact the actual results, performance and achievements of the Group and which may cause them to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, opinions or estimates. There is no guarantee or assurance that the Group will achieve its stated objectives or that a particular outcome, future event, forward-looking statement or forecast is guaranteed or will actually eventuate.	Section 7.2.8

Item	Summary	Further information
Key client concentration	StepChange has a high dependency on a major client, which contributed to approximately 77% of its overall revenue in FY24. StepChange has two current contractual arrangements in place with this client, one of which is due to expire on 31 December 2025 and another which has an initial term through to December 2028 with 5 consecutive 1-year renewal periods which may be exercised by the client. The parties intend that the second contractual arrangement will govern the purchase orders between the parties' following expiration of one contractual arrangement on 31 December 2025. Accordingly, the expiration of that contractual arrangement on 31 December 2025 will not have a material impact on the financial operations of the Business. Further, purchase orders have been placed by 5 separate entities within the key client group across the two current contractual arrangements. StepChange's exposure to the top customer was partially driven by the acquisition by that customer of significant assets from another of its clients in 2022. The Directors expect exposure to that top customer to reduce over time, due to a combination of: • expected organic growth via the expansion of revenue from other existing customers of StepChange; • organic growth via revenue generated from new logo wins; and • inorganic growth opportunities as set out in Section 3.5.2. The major client has been a customer of StepChange for 18 years but is entitled, under the terms of the relevant contractual arrangements, to terminate those arrangements for convenience at any time by providing the required period of notice to StepChange (being 14 days' notice under one contractual arrangement and 45 days' notice under its other contractual arrangement). Termination or non-renewal of the major client arrangements would have a significant impact on the financial performance of the Company and the Group.	Section 7.2.9
Cyber security and incidents	As an ERP service provider, the use of information technology by the Group will be critical to its ability to deliver products and services to clients, and to the growth of the Business. The Group may be exposed to cyber-attacks, unauthorised access to data, theft and disruption outside of its control. The Group may also incur costs as a result of rectifying any incidents or introducing additional safeguards to minimise the risk of future security breaches. There is also a risk that any protective or preventative measures the Group takes may not be sufficient to prevent or detect any unauthorised access to, or disclosure of, the Group's confidential or proprietary information	Section 7.2.11

Item	Summary	Further information
Key personnel	The success of the Group will be dependent on the ability: • of the Board and senior management of the Company and the Group to oversee the day-to-day operations and strategic management of the Group and the Business; and • of the Group to attract and retain key quality employees and consultants. The Group has identified and put in place initiatives to retain key management personnel. While the Group has entered into employment or consultancy agreements with its officers, employees and consultants which it considers are reasonable and appropriate, there is no assurance that such arrangements will not be terminated. If the Group is unable to retain existing skilled personnel or it is unable to attract quality employees and consultants, this could adversely affect the ability of the Group to grow and expand as it intends to.	Section 7.2.12
Earn-out Consideration	As stated in Section 9.2, the Company may elect to satisfy up to 75% of the Earn-out Consideration payable (if any) by way of an issue of Shares to the Vendors. If the maximum Earn-out Consideration of $5.7 million becomes payable to the Vendors and the Company elects to satisfy 75% of that amount by way of an issue of Shares, Shareholders will be diluted as a result of that issue o Shares and the Vendors interest in the Company will increase (refer to Section 2.10).	Section 7.2.13
Acquisition risk	As stated in Section 3.5, the Directors intend to grow the Business both organically and, as opportunities present themselves, through potential acquisitions of IT businesses which offer similar services to the Business and which present an opportunity to expand the existing delivery capabilities of the Business, expand the client base of the Business through the provision of services to clients in different industries to that which the Business currently provides services (being predominantly energy and mining-based clients or expand the Business into new regions or markets. In respect of any acquisition opportunities, there is a risk that the Group's due diligence and analysis may be incomplete or inaccurate, warranties or indemnities cannot be obtained, or that the benefits and synergies the Group anticipates to receive from such acquisitions may not be realised. If an unforeseen liability arises in respect of which the Group is not able to rely on any contractual protection, this may adversely affect the financial and operating performance of the Company and the Business. Additionally, the Company cannot guarantee that the integration of any businesses acquired in the future will be successful. If the integration of any business acquired in the future is not successful and is not completed within the timeframes contemplated by the Group at the time of the relevant acquisition, this could have a material impact on the Group's financial and operational performance.	Section 7.2.14

Item	Summary	Further information
Acquisition risk (continued)	The Group's ability to expand through future acquisitions as one part of its growth strategy may be affected by factors beyond its control. There can be no assurance that suitable future acquisition opportunities will arise, or if they do arise, that they will be able to be made on acceptable terms. In addition, there is a risk that the acquisitions may fail to meet the strategic and financial objectives, generate the synergies and benefits that are expected, or provide an adequate return on the purchase price and resources invested in them. Any of the above factors, either individually or in combination, may have an adverse effect on the Company's financial and operational performance.	Section 7.2.14
Ability to pursue organic growth opportunities	StepChange's ability to successfully pursue organic growth opportunities may be limited by the resources available to StepChange to fulfil the requirements of those opportunities, including the availability of appropriate skilled personnel to be deployed across a broader operational territory.	Section 7.2.15
Ability to access funding and capital markets	StepChange has historically relied on organically generated cashflows to grow and expand the Business. The Directors intend to utilise both the expanded working capital base (as a result of completion of the Offer) along with any suitable available equity funding options in order to fund the Business' day-to-day operations and future growth. Any additional equity funding may be dilutive to Shareholders, may be undertaken at lower prices that the current market price (or Offer Price). No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations or it may prevent the Company from proceeding with any potential acquisitions as they arise, which could adversely affect the ability of the Group to grow and expand as it intends to.	Section 7.2.16
Regulatory risk	The Group will be subject to various regulatory requirements (including those applicable to the ERP and broader IT services industry). Any changes to legislation, standards, policies, guidelines, interpretations or principles may affect the ability of the Group and the Business to carry out its day-to-day operations and/or achieve its future objectives. Further, the pursuit of growth opportunities (both organic and inorganic) by the Group may result in the Group being subject to a broader regulatory environment (including foreign regulatory requirements). The Company is unable to predict or control changes to regulatory requirements which may have an adverse effect on the Company or the Group.	Section 7.2.17
General risks	The Company and the Business are also subject to general risk factors. The specific risks identified above, and additional general risks associated with the Company and the Business are set out in further detail in Section 7.	Section 7.3

1.6 THE OFFER AND SECONDARY OFFER

Item	Summary	Further information
What is being offered?	The Offer is an offer of 70,000,000 Shares at an issue price of $0.20 per Share to raise up to $14,000,000 (before costs), with the ability to accept oversubscriptions of up to an additional 5,000,000 Shares at an issue price of $0.20 per Share to raise an additional $1,000,000 (before costs). The minimum subscription under the Offer is $14,000,000, and the Offer is fully underwritten.	Section 2.1.1
How is the Offer structured?	The Offer comprises: (a) the Broker Firm Offer; and (b) the Institutional Offer. No offer of Shares to the general public will be made under the Offer.	Section 2.1.2
Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Lead Manager and Underwriter.	Sections 2.1.2 and 9.1
What is the Secondary Offer?	This Prospectus also includes a secondary offer of 37,500,000 Consideration Shares to be issued to the Vendors in part-payment of the overall consideration for the Acquisition. Only the Vendors may accept the Secondary Offer.	Section 2.4
What is the purpose of the Offer?	The primary purpose of the Offer is to: (a) fund the cash component of the upfront consideration payable to the Vendors in connection with the Acquisition; (b) provide working and expansion capital to assist the development and growth of the Group; (c) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the Listing Rules; (d) provide the Group with access to the equity markets to assist its growth objectives; and (e) fund the costs of the Offer.	Section 2.5
What will the Company's capital structure look like after completion of the Offer and the Secondary Offer?	The Company's capital structure on completion of the Offer and the Secondary Offer is set out in Section 2.9. Upon completion of the Offer and the Secondary Offer, the Company considers that it will satisfy the requirement for at least 20% of its Shares to be held by non-affiliated parties and able to be traded on ASX.	Section 2.9
What are the terms of the Shares offered under the Offer and to be issued at Settlement of the Acquisition?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer and the Secondary Offer is set out in Section 10.1.	Section 10.1

Item	Summary	Further information
Will any Shares be subject to escrow?	Yes. The Escrowed Shares held by the Escrowed Shareholders on completion of the Offer and Settlement will be subject to voluntary escrow arrangements. Under these arrangements, each Escrowed Shareholder has entered into an Escrow Deed with the Company, under which it has agreed not to dispose of its Escrowed Shares for a period of 12 months from the Settlement Date (**Escrow Period**). Subject to the terms of the Escrow Deeds, at the end of the Escrow Period, Shares will be released from escrow at the same time, which may impact the Share price if relevant persons seek to trade their Shares at the same time. The Escrowed Shares and the relevant Escrow Deeds satisfy the requirements of section 609B(2) of the Corporations Act. Accordingly, pursuant to section 609B(1) of the Corporations Act, the Company does not have a relevant interest in the Escrowed Shares.	Section 10.2
Will the Shares be quoted?	Application for quotation of all Shares to be issued under the Offer and the Secondary Offer will be made to ASX no later than 7 days after the date of the original prospectus (being 30 May 2025)..	Section 2.12
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable at the front of this Prospectus.	Page 11
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of $2,000 worth of Shares in aggregate (10,000 Shares) and thereafter, in multiples of $100 worth of Shares (500 Shares). The Company, together with the Lead Manager and Underwriter, reserves the right to: (a) reject any Application or to allocate a lesser number of Shares than applied for; or (b) aggregate any Applications which it believes may be multiple Applications from the same person.	Section 2.6
Are there any conditions to the Offer?	The Offer is conditional on the Acquisition Agreement becoming unconditional, other than any condition in the Acquisition Agreement relating to the completion of the Offer or the Listing (being those conditions set out in Sections 9.2.1(a)(viii), 9.2.1(a)(ix) and 9.2.1(a)(xii)). If this Condition is not satisfied, the Acquisition and the Offer and Secondary Offer will not proceed. As at the Prospectus Date, other than those conditions in the Acquisition Agreement relating to the Listing itself, being the conditions relating to: (a) the application by the Company to list on the ASX following Settlement having been conditionally approved by ASX (refer to Section 9.2.1(a)(viii)); (b) all other necessary regulatory approvals being obtained in connection with the IPO (refer to Section 9.2.1(a)(ix)); and (c) the Company having received cleared funds to the value of no less than $14,000,000 by way of subscription funds in connection with the Offer, or such lesser amount as the Company determines in its absolute discretion (refer to Section 9.2.1(a)(xii))), 4 conditions in the Acquisition Agreement remain outstanding.	Section 2.16

<table>
<tr><th>Item</th><th>Summary</th><th>Further information</th></tr>
<tr><td>Are there any conditions to the Offer? (continued)</td><td>Each of those outstanding conditions are capable of being waived by the Company in its sole discretion. The Directors are not aware of any circumstances or information which would indicate that those conditions will not be satisfied. However, there is a risk that if those conditions are not satisfied or waived before the Settlement Date, the Offer will not proceed.

Accordingly, if the Condition is not satisfied, the Acquisition, the Offer and the Secondary Offer will not proceed. Shares issued under this Prospectus will be issued on the Settlement Date. Accordingly, if Settlement does not occur, no Shares will be issued under this Prospectus.</td><td>Section 2.16</td></tr>
<tr><td>How will the proceeds of the Offer be used?</td><td>The following shows the intended use of funds from the Offer following Official Quotation of the Shares on ASX:
<table>
<tr><th>Use of funds ($)</th><th>$14 million</th><th>$15 million</th></tr>
<tr><td>Payment of Consideration to Vendors</td><td>10,800,000</td><td>10,800,000</td></tr>
<tr><td>Second Milestone Payment</td><td>500,000</td><td>500,000</td></tr>
<tr><td>Earn-out Consideration and Growth initiatives[5]</td><td>1,664,281</td><td>2,614,281</td></tr>
<tr><td>Cash on hand[1,6]</td><td>339,000</td><td>339,000</td></tr>
<tr><td>Costs of the Offer</td><td>1,035,719[2,3,4]</td><td>1,085,719[2,3,4]</td></tr>
<tr><td>Total</td><td>14,339,000</td><td>15,339,000</td></tr>
</table>
Notes:
1. Cash on hand as at 30 May 2025.
2. Assumes Lead Manager and Underwriter fee of 5% payable in respect of $12,000,000 and 2% payable on remaining $2,000,000.
3. Assumes Lead Manager and Underwriter Fee of 5% payable in respect of $13,000,000 and 2% payable on remaining $2,000,000.
4. Excludes an amount of $597,199 relating to costs of the Offer which have already been paid by the Company.
5. If the maximum Earn-out Consideration becomes payable to the Vendors and on the assumption that the Company elects to satisfy up to 75% of the Earn-out Consideration by way of an issue of Shares, a total of $1,425,000 will be payable to the Vendors in cash. The balance of these funds would be applied towards growth initiatives along with the ability for the Company to supplement cash available for growth initiatives with the forecast cash to be generated from operational cashflow in FY26 (refer to Sections 5 and 9.2).
6. Cash on hand will be used to fund the working capital requirements of the Company. The working capital requirement of StepChange will be funded by the forecast cash to be generated from operational cashflow in FY26 (refer to Section 5).</td><td>Section 2.8</td></tr>
<tr><td>Can the Offer be withdrawn?</td><td>The Company may withdraw the Offer at any time before the allocation and issue of Shares to successful Applicants under the Offer.

If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).</td><td>Section 2.17</td></tr>
<tr><td>What are the tax implications of investing in Shares?</td><td>Holders of Shares may be subject to tax on dividends and possibly capital gains or losses on a future disposal of Shares issued under this Prospectus. The tax consequences of any investment in Shares will depend upon an investor's own circumstances. Applicants are encouraged to obtain their own taxation advice prior to deciding whether to subscribe for Shares under this Prospectus.</td><td>Section 2.14</td></tr>
<tr><td>Where can I find more information?</td><td>This Prospectus provides information about the Company, the Group and its prospects and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of the Company, please contact your Broker, accountant or independent financial adviser. Any questions concerning the Company, or the Offer, should be directed to the Lead Manager and Underwriter.</td><td>Section 2.19</td></tr>
</table>

1.7 INVESTMENT HIGHLIGHTS

Set out below is a summary of the key investment highlights for the Company and the Group.

Item	Summary	Further information
Well established business	StepChange is an established business (having operated for more than 10 years), with a strong base of clients operating in a range of industry sectors. In FY24, it delivered work for 24 customers, including large Tier 1 and government organisations across Australia.	Section 3.6(a)
Specialised services	StepChange specialises in the provision of ERP implementation and transformation services and solutions, with a focus on SAP as its strategic technology partner. SAP customers collectively generated 84% of total global commerce, and accounted for 98 of the 100 largest companies in the world. In addition, the revenue generated by SAP partners for providing SAP-related services is estimated to be approximately 5 times greater than the revenue accruing to SAP itself, indicating a global market opportunity of more than $200 billion for SAP services providers such as StepChange.	Section 3.6(b)
Historically profitable and forecasted to continue trend of profitability	StepChange has a track record of profitability, with annual net profit after tax over the financial years ended 30 June 2022, 30 June 2023 and 30 June 2024 averaging $2.65 million. The Forecast Financial Information indicates that StepChange is anticipated to continue to experience profitability throughout the Forecast Period.	Sections 3.6(c) and 5
Unique competitive position	Following the Listing, the Directors believe the Company will hold a unique competitive position in the ANZ ERP market, with a broader service offering than small competitors and greater independence compared to larger consulting firms (where complications and conflicts can arise).	Section 3.6(d)
Numerous organic growth opportunities	There are a number of near-term organic growth opportunities including executing on a significant new contract pipeline, the opportunity to assist large-scale, global companies with the transition from on-premise SAP solutions to cloud-based ERP solutions, and a broadening of StepChange's service offering to support a wider range of SAP ERP solutions, providing new revenue opportunities with both new and existing customers.	Section 3.5.1
Inorganic growth opportunities	The increased access to capital provided by the Listing will give the Company greater financial capacity to pursue acquisition opportunities in relation to synergistic businesses and to expand StepChange's existing business footprint.	Section 3.5.2
Experienced senior management team	The Company has in place a credible and effective team of Directors and senior executives who, along with the existing StepChange management team, have the expertise to progress the growth and expansion of the Group's service and solution offerings.	Section 8.1

2. Details of the Offer and Secondary Offer

2. Details of the Offer and Secondary Offer

2.1 THE OFFER

2.1.1 Description

The Offer is an initial public offering of 70,000,000 Shares at an issue price of $0.20 per Share to raise up to $14,000,000 (before costs). Oversubscriptions of up to a further 5,000,000 Shares at an issue price of $0.20 per Share to raise up to a further $1,000,000 may be accepted. Therefore, the maximum amount that may be raised under the Offer is $15,000,000 (before costs) by way of an issue of up to 75,000,000 Shares at an issue price of $0.20 per Share.

A summary of the total number of Shares to be issued under the Offer, the total number of Shares which will be on issue as at completion of the Offer and the percentage that the Shares issued under the Offer bears to the total number of Shares which will be on issue as at completion of the Offer is set out below.

	Minimum subscription ($14 million)	**Maximum subscription ($15 million)**
Number of Shares to be issued under Offer[1]	70,000,000	75,000,000
Total number of Shares on issue as at completion of Offer[2]	156,660,321	161,660,321
Percentage that Shares to be issued under Offer[1] bears to total Shares on issue as at completion of Offer	44.68%	46.39%

Notes:

1. *Excludes 37,500,000 Shares to be issued under the Secondary Offer.*
2. *Includes 2,500,000 Shares to be issued to Mr Geoffrey Lewis (or his nominee) in satisfaction of the Second Milestone Payment (refer to Section 9.4.8).*

All Shares issued under the Offer will be fully paid ordinary shares in the capital of the Company. The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.1.

2.1.2 Structure of the Offer

The Offer comprises:

(a) the Broker Firm Offer, which is open to Eligible Jurisdiction resident retail clients of Brokers who have received a firm allocation from their Broker (see Section 2.2 for further details); and

(b) the Institutional Offer, which consists of an invitation to subscribe for Shares made to Institutional Investors in Eligible Jurisdictions (see Section 2.3 for further details).

No offer of Shares to the wider general public will be made under the Offer.

The Offer is fully underwritten by the Lead Manager and Underwriter. A summary of the Underwriting Agreement, including the events which would entitle the Lead Manager and Underwriter to terminate the Underwriting Agreement, is set out in Section 9.1.

2.1.3 Minimum application amount

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 500 Shares. Payment for the Shares must be made in full at the issue price of $0.20 per Share.

2.2 BROKER FIRM OFFER

2.2.1 Applications under Broker Firm Offer

If you have received a 'firm' allocation of Shares from your Broker, your application and payment procedures are outlined below:

(a) your cheque or direct debit for your Application Money must be received by your Broker in accordance with their instructions; and

(b) your completed Application Form must be delivered to your Broker directly (not to the Share Registry).

Applicants who receive a firm allocation of Shares must lodge their Application Form and Application Money with the relevant Broker in accordance with the relevant Broker's directions in order to accept the offer of that firm allocation.

Your Broker will act as your agent in submitting your Application. The Company, the Share Registry and the Lead Manager and Underwriter take no responsibility for any acts or omissions by your Broker in connection with your Application, Application Form or Application Money.

The procedure should be explained to you in further detail by your Broker. If you have a firm allocation of Shares and are in any doubt about what action to take, you should immediately contact the Broker who has made you the firm allocation offer.

2.2.2 Allocation policy under the Broker Firm Offer

The allocation of Shares to Brokers will be determined by the Lead Manager and Underwriter in agreement with the Company with a view to obtaining a sufficient spread of Shareholders to satisfy Listing Rule 1.1 condition 8, identifying new potential long-term investors, and ensuring an appropriate Shareholder base for the Company. Shares which are allocated to Brokers for allocation to their clients in Eligible Jurisdictions will be issued to the Applicants nominated by those Brokers (subject to the right of the Company and the Lead Manager and Underwriter to reject, aggregate or scale back any Application). It will be a matter for each Broker to determine how they allocate Shares among their clients, and they (and not the Company or the Lead Manager and Underwriter) will be responsible for ensuring that Applicants who have received an allocation from them receive the relevant corresponding Shares.

2.2.3 Broker Firm Offer period

The Broker Firm Offer opens on 16 June 2025 and is expected to close at 5pm (AEST) on 27 June 2025. The Company and the Lead Manager and Underwriter may elect to close the Broker Firm Offer early, extend the Broker Firm Offer or accept late applications in their absolute discretion and without notice to potential investors.

2.3 INSTITUTIONAL OFFER

2.3.1 Invitations to bid

The Institutional Offer consists of an invitation prior to or after the date of this Prospectus to certain Institutional Investors in Eligible Jurisdictions to apply for Shares under this Prospectus. Delivery versus payment (**DvP**) settlement is available for Applicants under the Institutional Offer. Please contact your Broker if you wish to pay for Shares under the Institutional Offer on a DvP basis.

2.3.2 Allocation policy under the Institutional Offer

The allocation of Shares among Applicants in the Institutional Offer will be determined by the Lead Manager and Underwriter in consultation with the Company. The Lead Manager and Underwriter, in consultation with the Company, has absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer will be advised of their allocation of Shares, if any, by the Lead Manager and Underwriter.

The allocation policy under both the Broker Firm Offer and the Institutional Offer is influenced, but not constrained, by the following factors:

- the number of Shares bid for by particular Applicants;
- the timeliness of the bid by particular Applicants;
- the Company's desire for an informed and active trading market following its Listing;
- the Company's desire to establish a spread of institutional shareholders;
- the overall level of demand under the Offer;
- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long-term Shareholders; and
- any other factors which the Company and the Lead Manager and Underwriter may consider appropriate.

2.4 SECONDARY OFFER

This Prospectus also includes an offer of 37,500,000 Consideration Shares to be issued to the Vendors or their nominees pursuant to the Acquisition Agreement (the material terms of which are summarised at Section 9.2).

The rights and liabilities attaching to the Consideration Shares offered under the Secondary Offer are summarised in Section 10.1.

Only the Vendors or their nominees may accept the Secondary Offer. A personalised Application Form in relation to the Secondary Offer will be issued to the Vendors or their nominees, together with a copy of this Prospectus.

All Consideration Shares issued under the Secondary Offer will be subject to escrow. Please refer to Section 10.2 for a summary of the escrow position.

2.5 PURPOSE OF THE OFFER

The primary purposes of the Offer are to:

(a) fund the upfront consideration to be paid to the Vendors under the Acquisition;

(b) provide working and expansion capital to assist the development and growth of the Company and the business of the Group;

(c) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the Listing Rules;

(d) provide the Company with access to the equity markets to assist its growth objectives; and

(e) fund the costs of the Offer.

The Company intends to apply the funds raised under the Offer, along with its current cash reserves, in the manner detailed in Section 2.8.

2.6 MINIMUM SUBSCRIPTION

The minimum subscription in relation to the Offer is $14,000,000, and the Offer is fully underwritten.

2.7 OVERSUBSCRIPTIONS

The Company may, at the discretion of the Directors, choose to accept oversubscriptions under the Offer to the value of up to $1,000,000 in total (meaning that the Offer will have a maximum subscription of $15,000,000).

2.8 USE OF FUNDS

The following table shows the intended use of funds from the Offer following admission of the Company to the Official List:

	Minimum Subscription $14,000,000		Maximum Subscription $15,000,000	
Use of funds	**A$**	**% of funds**	**A$**	**% of funds**
Payment of Consideration to Vendors[1]	10,800,000	75.32%	10,800,000	70.41%
Second Milestone Payment[2]	500,000	3.49%	500,000	3.26%
Earn-out Consideration and Growth initiatives[3]	1,664,281	11.61%	2,614,281	17.04%
Cash on hand[4,5]	339,000	2.36%	339,000	2.21%
Costs of the Offer[6,7]	1,035,719	7.22%	1,085,719	7.08%
Total Uses	**14,339,000[3]**	**100.0%**	**15,339,000**	**100.0%**

Notes:

1. *Subject to an adjustment under the Acquisition Agreement to the extent that StepChange's working capital amount at Settlement is greater or less than the required working capital amount and/or the net cash or debt amount at Settlement is positive or negative.*
2. *Refer to Section 9.4.8 for further details in respect to these payments.*
3. *If the maximum Earn-out Consideration becomes payable to the Vendors and on the assumption that the Company elects to satisfy up to 75% of the Earn-out Consideration by way of an issue of Shares, a total of $1,425,000 will be payable to the Vendors in cash. The balance of these funds would be applied towards growth initiatives along with the ability for the Company to supplement cash available for growth initiatives with the forecast cash to be generated from operating cashflow in FY26 (refer to Sections 5 and 9.2).*
4. *Cash on hand as at 30 May 2025.*
5. *Cash on hand will be used to fund the working capital requirement of the Company. The working capital requirements of StepChange will be funded by the forecast cash to be generating from operating cashflow (refer to Section 5).*
6. *Refer to Section 10.6 for further details on the expenses of the Offer.*
7. *Excludes an amount of $597,199 relating to expenses of the Offer which have already been paid by the Company.*

2.9 CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offer and Settlement (taking into account both the minimum and maximum subscription scenarios under the Offer) is summarised below:

Shares[1]	Minimum Subscription	Maximum Subscription
Shares currently on issue[2]	46,660,321	46,660,321
Shares to be issued under Offer[3]	70,000,000	75,000,000
Consideration Shares to be issued under Secondary Offer[4]	37,500,000	37,500,000
Total Shares on issue following completion of the Offer and Secondary Offer[5]	**156,660,321**	**161,660,321**

Notes:

1. *The rights and liabilities attaching to the Shares are summarised in Section 10.1.*
2. *There are currently 46,660,321 Shares on issue. One Share was issued on incorporation at an issue price of $1.00. 63,200,000 Shares were issued at an issue price of $0.05 per Share to various seed capitalists (including Directors or their related entities) to fund acquisition costs, the listing costs and initial working capital requirements of the Company. These Shares were issued at a discount to the issue price of the Shares offered pursuant to the Offer to reflect the increased risk associated with an investment in the Company at the time of issue of the seed capital. A further 10,000,000 Shares were issued to an entity controlled by Mr Shane Bransby at a deemed issue price of $0.05 per Share as part-consideration under the Agreement. On 20 December 2024 a further 2,500,000 Shares were issued to Mr Geoffrey Lewis at a deemed issue price of $0.20 per Share as part-consideration under the Agreement dated 10 July 2024. On 20 December 2024 the Company undertook a selective share buy-back in accordance with section 257D of the Corporations Act pursuant to which it bought-back 26,000,000 Shares. On 20 December 2024 the Company underwent a share consolidation pursuant to which the share capital of the Company was consolidated through the conversion of each Share then on issue into 0.9356 Shares. On 21 December 2024 a further 161,000 Shares were issued to Mr Geoffrey Lewis at a deemed issue price of $0.05 per Share as part-consideration under the Agreement. Refer to Section 9.4.8 for a summary of the Agreement.*
3. *A minimum of 70,000,000 Shares and a maximum of 75,000,000 Shares to be issued under the Offer at an issue price of $0.20 per Share, to raise a minimum of $14,000,000 and a maximum of $15,000,000.*
4. *Refer to Section 9.2 for a summary of the terms of the Acquisition Agreement.*
5. *Includes 2,500,000 Shares to be issued to Mr Geoffrey Lewis (or his nominee) in satisfaction of the Second Milestone Payment (refer to Section 9.4.8).*

The free float of Shares at the time of Listing on the Official List will be no less than 20% of the Shares on issue at that time.

Options	Minimum Subscription	Maximum Subscription
Options currently on issue[1]	4,000,000	4,000,000
Total Options on issue following completion of the Offer and Secondary Offer	**4,000,000**	**4,000,000**

Notes:

1. *Options have been issued to the Managing Director and Chief Financial Officer as part of their remuneration packages. The Options are exercisable at $0.286 per Share on or before 31 October 2029 and are subject to various vesting conditions. Further details regarding rights attaching to the Options are summarised in Section 9.4.2, 9.4.3 and 9.4.5.*

2.10 SUBSTANTIAL SHAREHOLDERS

Upon completion of the Offer and Settlement and following payment of the Earn-out Consideration (if applicable), it is anticipated that the following parties will have substantial shareholdings in the Company:

	Completion of the Offer and Settlement			Following payment of the Earn-out Consideration[4]		
Shareholder[1]	**Shares**	**Minimum Subscription % (undiluted)**	**Maximum Subscription % (undiluted)**	**Shares**	**Minimum Subscription % (undiluted)**	**Maximum Subscription % (undiluted)**
Geoffrey Lewis and his controlled entities[1,2]	23,712,000	15.14	14.67	23,712,000	13.32	12.95
Shane Bransby and his controlled entities[1]	11,601,440	7.41	7.18	11,601,440	6.52	6.34
Valtellina Investments Pty Ltd as trustee for the Nesa Family Trust[2,3]	22,500,000	14.36	13.92	35,325,000	19.84	19.30
JMK Ventures Group Pty Ltd as trustee for the Sanary Investment Trust[2]	15,000,000	9.57	9.28	23,550,000	13.23	12.87

Notes

1. *Neither of Messrs Geoffrey Lewis, Shane Bransby nor either of their respective controlled entities are assumed to apply for additional Shares under the Offer.*
2. *Includes 2,500,000 Shares to be issued to Mr Geoffrey Lewis (or his nominee) in satisfaction of the Second Milestone Payment (refer to Section 9.4.8).*
3. *Includes Shares acquired under the Secondary Offer and assumes no additional Shares are applied for under the Offer.*
4. *Assumes that the maximum Earn-out Consideration (being $5.7 million) becomes payable to the Vendors and the Company elects to satisfy up to 75% of the Earn-out Consideration and assumes such Shares are issued at a deemed issue price of $0.20 per Share (refer to Section 9.2).*

The Company will announce to the ASX details of its top 20 Shareholders following completion of the Offer and Settlement and prior to the Shares commencing trading on ASX.

2.11 APPLICATIONS

Applications for Shares under the Offer or the Secondary Offer must be made using the relevant Application Form provided to you by your Broker.

By completing an Application Form, each Applicant will be taken to have represented, warranted, agreed and acknowledged as follows:

(a) they have personally received the Application Form together with a complete and unaltered copy of the Prospectus;

(b) the Applicant(s), if a natural person, is/are over 18 years of age;

(c) all details and statements made by them are complete and accurate;

(d) they agree to become a member of the Company and be bound by the terms of the Constitution and the terms and conditions of the Offer or Secondary Offer (as applicable);

(e) they acknowledge that, once the Company or a Broker receives an Application Form, it may not be withdrawn;

(f) (in respect of the Offer only), they have agreed to being allocated and issued the number of Shares applied for (or a lower number which may be allocated to them in a way described in this Prospectus), or no Shares at all;

(g) they authorise the Company, the Lead Manager and Underwriter and each of their respective officers or agents to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;

(h) they acknowledge the Company may not pay dividends, or that dividends may not be franked;

(i) they acknowledge the information contained in this Prospectus, or any supplementary or replacement prospectus, is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the Applicant(s);

(j) they warrant that the Applicant(s) is/are a resident of an Eligible Jurisdiction;

(k) they acknowledge the Offer and Secondary Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and

(l) they acknowledge and agree that if Official Quotation of the Company does not occur for any reason, the Offer and Secondary Offer will not proceed.

Completed Application Forms must be mailed or delivered to your Broker or as set out in the Application Form, with sufficient time to be received by or on behalf of the Company **by no later than 5.00pm (AEST) on the Closing Date**, which is currently scheduled to occur on 27 June 2025 but which may be subject to change.

Applications under the Offer must be accompanied by payment in full in Australian currency by cheque or direct debit in accordance with the instructions provided by the Applicant's Broker.

Where no issue of Shares is made under the Offer, Application Monies will be refunded (without interest) to the Applicants as soon as practicable after the Closing Date.

The Company and the Lead Manager and Underwriter reserves the right to close the Offer early.

If you have questions on how to complete the Application Form, or you require additional copies of this Prospectus, you can:

(a) contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia); or

(b) visit the website at www.stepchangeholdings.com to download a copy of this Prospectus.

The Company and the Lead Manager and Underwriter reserve the right to decline any Application in whole or in part, without giving any reason. Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will be refunded all or part of their Application Monies (as applicable). Interest will not be paid on any Application Monies refunded by the Company.

Applicants should note that if the amount of Application Monies an Applicant pays is less than the amount specified on the Applicant's Application Form, the Applicant may be taken to have applied for such lower amount of Shares as corresponds to the Applicant's cleared Application Monies (and to have specified that amount on the Applicant's Application Form), or the Applicant's Application may be rejected.

Acceptance of an Application by the Company will give rise to a binding contract on the terms and conditions set out in this Prospectus and the Application Form. To the extent permitted by law, Applications are irrevocable.

An Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. A decision of the Company and the Lead Manager and Underwriter as to whether to treat such an Application as valid and how to construe, amend or complete an Application Form is final; however, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the Application Monies paid by that Applicant.

The Company and the Lead Manager and Underwriter reserve the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Offer, or to waive or correct any errors made by an Applicant in completing their Application.

2.12 ASX LISTING

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the Shares are not admitted to Official Quotation before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any Shares and will repay all Application Monies for the Shares within the time prescribed by the Corporations Act, without interest.

The fact that ASX may grant Official Quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription.

2.13 ISSUE

Subject to ASX granting conditional approval for the Company to be admitted to the Official List, the issue of the Shares offered by this Prospectus will take place on the Settlement Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

2.14 TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. It is not possible to provide a comprehensive summary of the possible taxation positions of all potential Applicants. As such, all potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of them acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any Applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer or Secondary Offer.

2.15 APPLICANTS OUTSIDE AUSTRALIA

This Prospectus does not, and is not intended to, constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

2.15.1 New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the FMC Act. The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an "investment business" within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is "large" within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a "government agency" within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an "eligible investor" within the meaning of clause 41 of Schedule 1 of the FMC Act.

2.15.2 Hong Kong

This document has not been, and will not be, registered as a prospectus under the *Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)* of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the SFO. Accordingly, this document may not be distributed, and the Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within 6 months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

2.15.3 Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the SFA or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

2.15.4 United Kingdom

Neither this document nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the FSMA, as amended) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons:

(i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the FPO;

(ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or

(iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

2.16 CONDITIONAL OFFER

The Offer and the Secondary Offer are conditional on the Acquisition Agreement becoming unconditional other than any condition in the Acquisition Agreement relating to the completion of the Offer or the admission of the Company to the Official List (being those conditions set out in Sections 9.2.1(a)(viii), 9.2.1(a)(ix) and 9.2.1(a)(xii) (**Condition**).

As at the Prospectus Date, other than those conditions in the Acquisition Agreement relating to the Listing itself, being the conditions relating to:

(i) the application by the Company to list on the ASX following Settlement having been conditionally approved by ASX (refer to Section 9.2.1(a)(viii));

(ii) all other necessary regulatory approvals being obtained in connection with the IPO (refer to Section 9.2.1(a)(ix)); and

(iii) the Company having received cleared funds to the value of no less than $14,000,000 by way of subscription funds in connection with the Offer, or such lesser amount as the Company determines in its absolute discretion (refer to Section 9.2.1(a)(xii))),

4 conditions in the Acquisition Agreement remain outstanding.

Each of those outstanding conditions are capable of being waived by the Company in its sole discretion. The Directors are not aware of any circumstances or information which would indicate that those conditions will not be satisfied. However, there is a risk that if those conditions are not satisfied or waived before the Settlement Date, the Offer will not proceed.

Accordingly, if the Condition is not satisfied, the Acquisition, the Offer and the Secondary Offer will not proceed. Shares issued under this Prospectus will be issued on the Settlement Date. Accordingly, if Settlement does not occur, no Shares will be issued under this Prospectus.

2.17 DISCRETION REGARDING THE OFFERS

The Company reserves the right not to proceed with the Offer and Secondary Offer at any time before the issue of Shares to successful Applicants. If the Offer and Secondary Offer, or any part of them, do not proceed, all relevant Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer and Secondary Offer.

The Company and the Lead Manager and Underwriter also reserve the right to close the Offer and the Secondary Offer early, extend the Offer and the Secondary Offer, accept late applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than applied for.

2.18 PRIVACY

The Company collects information about each Applicant for the purposes of administering that Applicant's shareholding in the Company.

Shareholders have an entitlement to gain access to the information the Company holds about them, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.19 ENQUIRIES

This Prospectus provides information about the Company, the Group and its prospects and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of the Company, please contact your Broker, accountant or independent financial adviser. Any questions concerning the Company, or the Offer, should be directed to the Lead Manager and Underwriter.

Questions relating to the Offers and completion of an Application Form can be directed to the Company's Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) from 8:00am to 7:00pm (AEST), Monday to Friday (excluding public holidays), or via email to corporate.actions@automicgroup.com.au

3. Company Overview

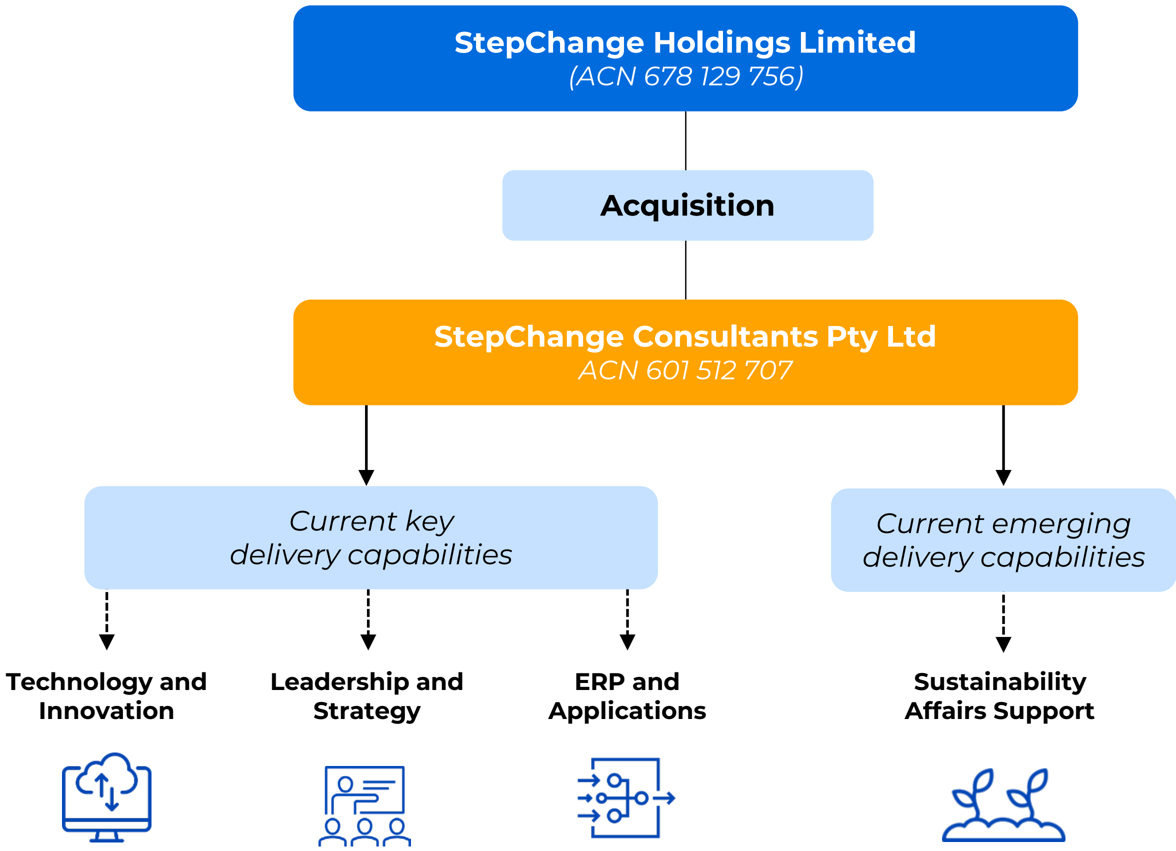
3. Company Overview

3.1 OVERVIEW

3.1.1 Overview of the Company and the Group

The Company is a company limited by shares which was incorporated in Western Australia on 12 June 2024 for the primary purpose of pursuing IT services acquisition opportunities. The Company has subsequently signed the Acquisition Agreement, pursuant to which the Company is entitled to acquire all of the shares in StepChange. Following Settlement, which will occur in conjunction with the Listing, StepChange will become a wholly owned subsidiary of the Company and its business will be operated under the direction and control of the Company, as part of a corporate group illustrated in Figure 3.1 below (**Group**).

Figure 3.1: Post-acquisition Group structure and delivery capabilities



StepChange can trace its business origins back to 2003. It was incorporated for the current operation in 2014 and is a leading SAP ERP consulting firm with a team of approximately 150 personnel, which delivers transformation solutions to global and local businesses. It has longstanding relationships with a number of global Tier 1 and government customers, and a strong history of delivering complex ERP projects in industries including mining, energy, agriculture, education and utilities.

Figure 3.2: Business snapshot

StepChange

Delivery Capabilities

Technology and Innovation

Leadership and Strategy

ERP and Applications

Emerging Delivery Capabilities

Sustainability Affairs Support

Financial Metrics[1]

$42.2m
FY25F Pro Forma Revenue

$2.9m
FY25F Pro Forma EBITDA[2,3]

15.5%
3-year Revenue CAGR (FY22A – FY25F)[2,3]

~150
Personnel (as at April 2025)[4]

Notes:

1. *FY25F forecasts include 9 months of unaudited actuals.*
2. *Pro forma adjustments have been made to the Statutory Historical Income Statements to reflect the full year impact of the operating and capital structure that will be in place following Completion.*
3. *EBITDA excluding significant items, which total $0.20 million in FY25F and comprise audit fees.*
4. *Includes employees and contractors across StepChange's range of delivery capabilities.*

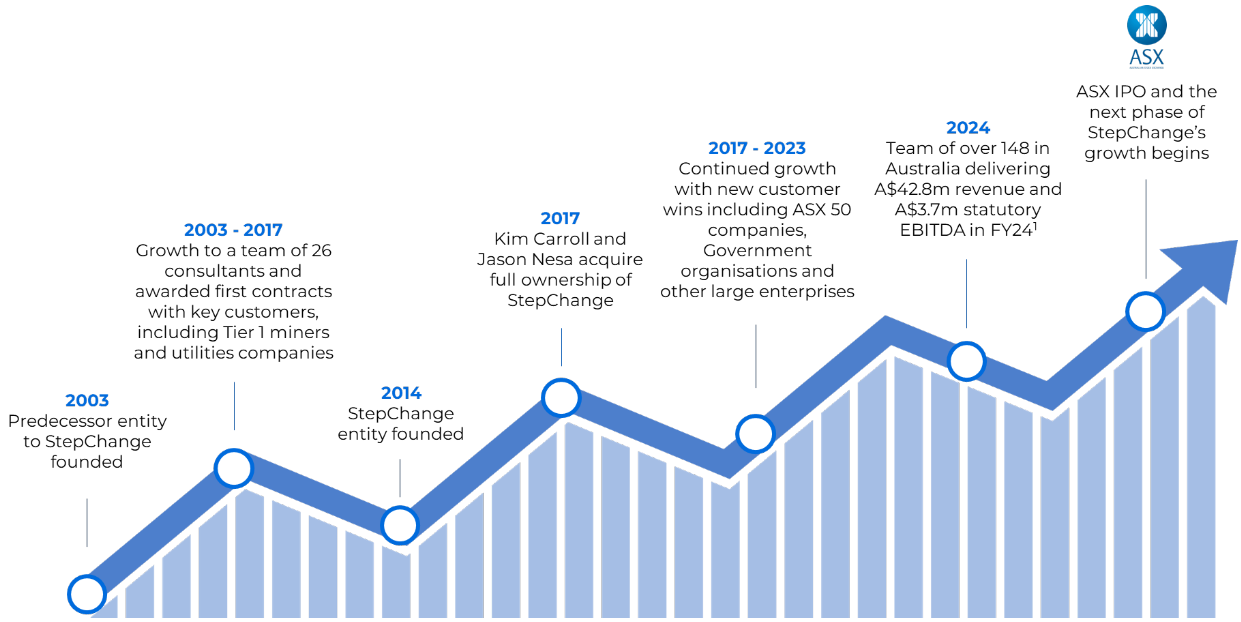
3.1.2 History

StepChange was formed by a group of former SAP professionals and business consultants from large consulting firms, with a vision of supporting both global and local businesses on key transformation projects. StepChange began building its reputation through delivering complex SAP ERP implementations for large Western Australian-based mining, oil and gas, resources and utilities companies and has continued to build on its foundations as one of the longest affiliated SAP partners in Western Australia, offering a diverse suite of enterprise, technology and change management solutions.

StepChange has continued to grow organically under the leadership of Jason Nesa and Kim Carroll, who joined the business in 2013 and 2014 respectively before acquiring full ownership in 2017.

Mr Nesa and Ms Carroll will remain in executive roles with StepChange following Settlement, and will be invested in the Company (via their associated entities) following IPO. Refer to Sections 2.4 and 9.2 for details.

Figure 3.3: Evolution of StepChange



Notes:

1 Statutory historical results – excludes pro forma adjustments including public company costs

3.1.3 Operational Locations

As at 31 March 2025, StepChange had a headcount of approximately 150 (comprising both permanent employees and contractors), based in Western Australia. Its workforce is continually deployed based on expected requirements and project pipelines.

StepChange's business is currently operated from its offices in Perth, Western Australia. As outlined in Section 3.5.2, the Group is likely to consider acquisitions following Listing, which may lead to the current office footprint being broadened, including to the east coast of Australia. In the medium term, it is possible that international expansion to leverage StepChange's capabilities in the energy sector could also be considered.

All of StepChange's consultants are based in Australia. Many are holders of formal SAP badges to demonstrate their competencies.

3.1.4 Branding

As outlined in Section 3.1.2, since the establishment of the StepChange business 22 years ago, StepChange has built a brand known for its breadth of capabilities and quality of service.

3.2 BUSINESS OVERVIEW

3.2.1 Delivery capabilities

StepChange provides a comprehensive service offering to ensure its customers are supported through the full project cycle and it is expected that this capability will be further enhanced with the creation of the Group. While the overall offering is flexible and can be tailored to particular customers, StepChange's key capabilities can broadly be categorised as:

Technology and Innovation

Leadership and Strategy

ERP and Applications

Additionally, StepChange has an emerging capability in providing Sustainability Affairs Support which involves providing project team members to assist in the use of ERP software systems (or modules) that support the client's subject-matter experts in the tracking and implementation of client ESG strategies to ensure alignment with the overall client organisation strategy and goals.

Table 3.1: Delivery capabilities

Technology and Innovation	• Deliver customer-relevant, configured SAP solutions • Key services include process insights, product development, data & analytics, cloud services, and solution extension including specialised development and integration
Leadership and Strategy	• Assist with alignment to overall client organisational strategy and goals across people, process and technology transformation as it relates to ERP-centred transformations • Ensures the success of transformation projects while supporting members of an organisation to plan and implement change • Key services include change management, project management, business transformation and strategy, data transition, deployment and solution validation
ERP and Applications	• Leverage SAP ERP and application technologies to deliver transformational solutions for customers • Provide key services across functional (module selection and optimisation), technical (solution architecture and development) and ongoing support (greenfield, brownfield and bluefield projects)

3.2.2 SAP partnership

As outlined in Section 4, SAP is the global and ANZ market leader in ERP software, with an estimated 20-25% market share in ANZ[1] and a range of solutions to suit large enterprises through to small and medium-sized businesses (**SMBs**).

StepChange is currently one of the longest affiliated SAP partners in Western Australia.

Following Listing, the Group will continue to focus on SAP as its key strategic technology partnership given the significant growth opportunities available (as outlined in Section 3.5). The Directors believe that this specialisation and alignment with one vendor is also a competitive advantage against peers who work with multiple vendors due not only to difficulties in remaining familiar with multiple vendors' products and associated developments and innovations, but also because it enables StepChange to offer a level of expertise in relation to SAP ERP that those peers cannot. Specialising in only SAP allows StepChange to focus the efforts of its entire workforce on developing a deeper specialisation in the vendor and its innovations.

1 *Source: Frost and Sullivan.*

3.2.3 Customer base

In FY24, StepChange delivered work for 24 customers, including large Tier 1 and government organisations across Australia.

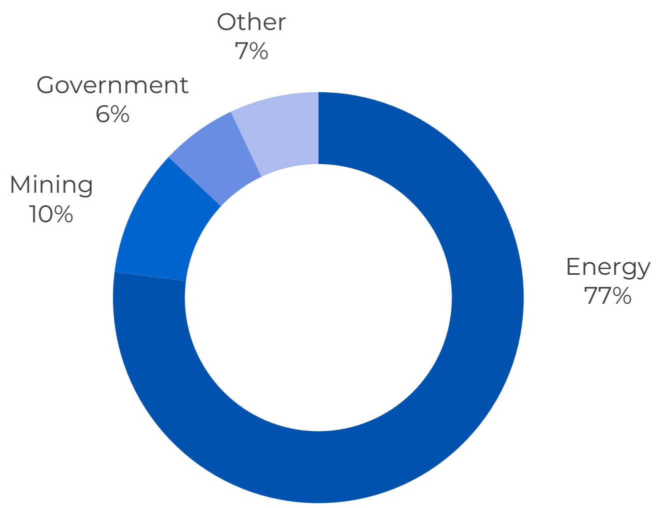
Table 3.2 Key customer sectors

Government	StepChange is a leading provider of transformation services to government organisations in Western Australia, including national and state government departments and bodies, and local councils. The Directors expect opportunities in the government sector across Australia to continue to grow, driven by: • a significant number of legacy, on-premise IT systems requiring modernisation; • fragmentation in existing systems making it difficult to provide consistent services; and • recognition of the costs associated with outdated IT systems, including manual interventions and sub-optimal user experiences, at a time when governments are seeking efficiencies to reduce public spending.
Mining	StepChange's mining customer base comprises several global Tier 1 enterprises, Australian miners and mining services providers. The Directors view mining as a highly attractive sector, with organisations in the sector typically placing high importance on keeping modern system infrastructure in place due to the asset-intensive nature of their businesses. As outlined in Section 3.5.1, going forward the Directors also expect there to be significant opportunities in rolling out RISE with SAP to a broader range of clients, including critical minerals companies, leveraging StepChange's relationships within the mining sector.
Energy	StepChange has provided services to Tier 1 energy producers for a number of years. The Directors consider the Company's exposure to the energy sector as highly attractive given the strong recent demand resulting from large energy projects, with the green energy transition presenting a strong medium-term organic growth opportunity.

3.2.4 Customer metrics

Beyond StepChange's strength in the energy sector, its customers operate across several sectors. The Directors believe that this somewhat insulates StepChange's revenue streams from a downturn in any particular sector, and provides it with the flexibility to shift its new sales efforts to maximise growth based on prevailing sector dynamics.

Figure 3.4: FY25 revenue by sector[1,2]



Notes:
1. *Percentages are based on contributions to 1HFY25 revenue.*
2. *Other includes Agriculture, Professional Services, Utilities, Manufacturing, Information Media and Telecommunications*

Given StepChange's foundations and historic origins in Perth, Western Australia, the current customer base is weighted to that region. Geographically, the Directors expect Australia to continue to comprise the majority proportion of revenue in the future as a result of intended expansion of StepChange's presence across Australia both organically and inorganically, potentially including in the economic centres on Australia's east coast.

StepChange has recently entered into contractual arrangements with an existing Tier 1 energy customer which will enable StepChange to deploy its personnel to that customer's global projects including (but not limited to) its projects across Australia, the United States, Mexico, and Trinidad and Tobago.

StepChange has long-term relationships with a range of public and private sector customers. It prides itself on the excellence of its service to customers which is reflected in a strong customer retention rate, with its top 5 customers by revenue for FY24 having an average tenure of approximately 12 years, and its top customer having a tenure of 18 years.

The size, length and nature of projects StepChange delivers for customers can vary substantially. The delivery of each implementation project may last anywhere from several months to multiple years. Further, in many cases this implementation work can lead to the generation of ongoing additional revenue in the form of software/licence subscriptions and/or ongoing support. Refer to Section 3.3.1 for further details on StepChange's revenue model.

Figure 3.6: FY24 top 5 customer tenure (years)

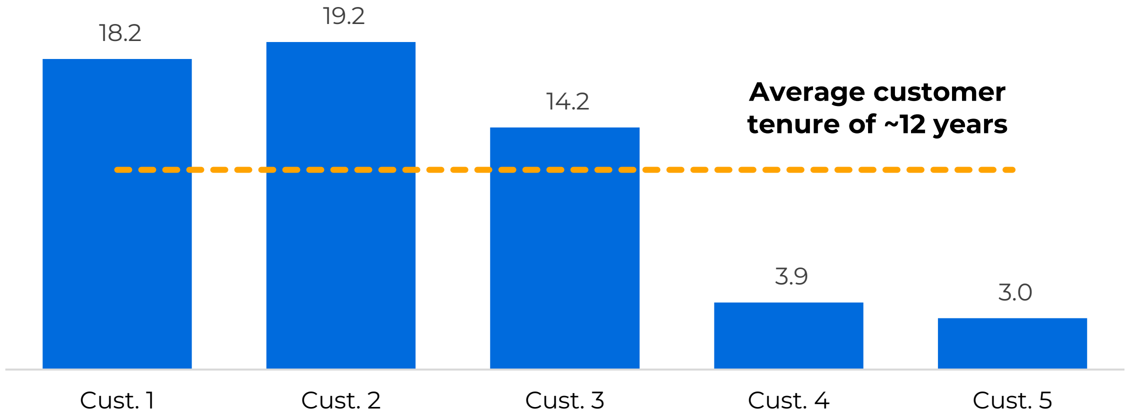
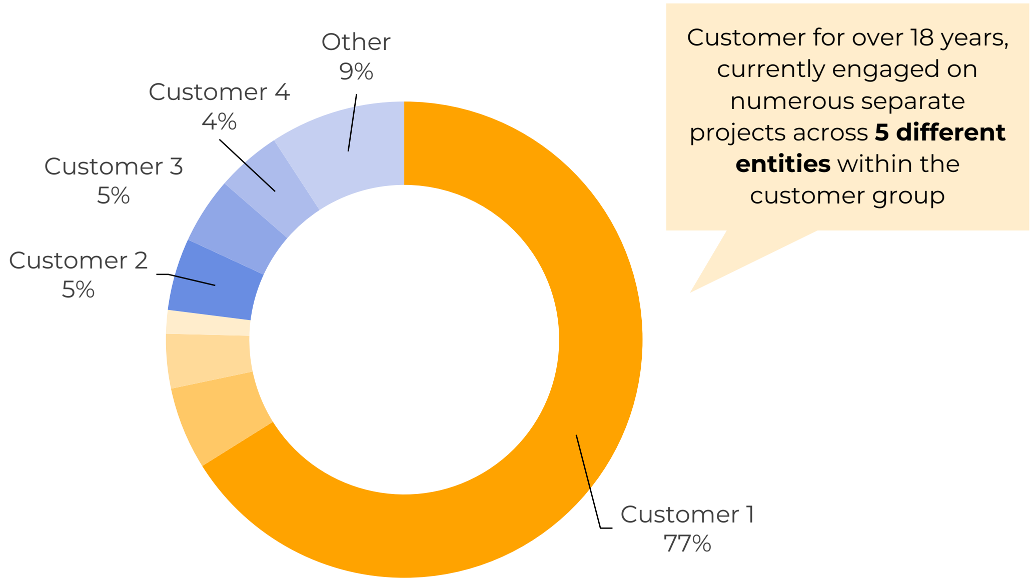


Figure 3.6: 1HFY25 Revenue by customer



Notes:
1. *Top 10 customers based on FY24 revenue; tenure calculated to 31 December 2024.*
2. *Percentages are based on contribution to 1HFY25 revenue.*
3. *Initial 3-year contract, with 5 successive options to renew for a further period of 12 months.*

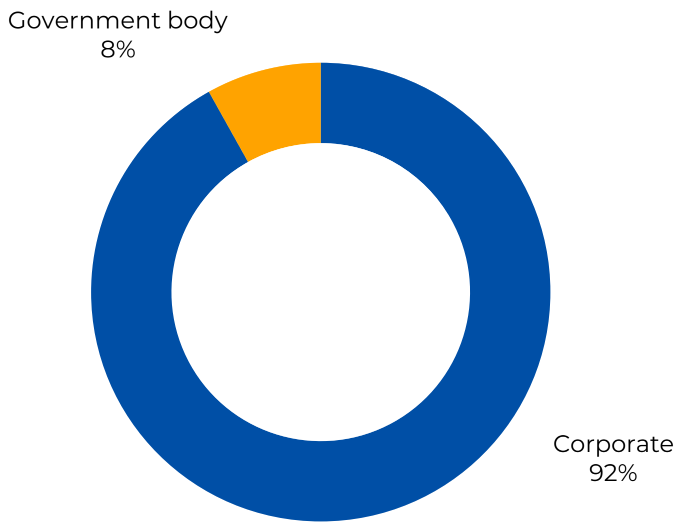
Although StepChange's top customer accounted for approximately 77% of its overall revenue in FY24, this was split across numerous separate projects undertaken for a total of 5 entities within the customer group. For that reason, the Directors' view is that risks affecting each individual project are not likely to impact other projects.

StepChange's exposure to the top customer was partially driven by the acquisition by that customer of significant assets from another of its clients in 2022. The Directors expect exposure to that top customer to reduce over time, due to the combination of:

- organic growth via the expansion of revenue from other existing customers of StepChange;
- organic growth via revenue growth from new logo wins; and
- inorganic growth opportunities, as outlined in Section 3.5.

StepChange's exposure to the top customer creates a revenue dependency on that customer. There is a risk that if that top customer was to terminate its existing contractual arrangement with StepChange, which it is entitled to do so under the terms of its contractual arrangements, this would likely have a material adverse effect of StepChange's financial performance. Further information regarding this risk is set out in Sections 7.2.6 and 7.2.9.

Figure 3.7: FY25 Revenue by customer



The majority of StepChange's revenue was generated from corporate customers in 1HFY25, with a bias to large enterprises. In addition to corporate customers, StepChange regularly works with government bodies and enterprise customers.

3.3 BUSINESS MODEL

3.3.1 Revenue model

The majority of StepChange's revenue is generated through the provision of project-based services. Revenue for such project-based services is primarily generated based on purchase orders which are submitted to StepChange and which include an agreed fee being payable to StepChange for services provided in accordance with a specific scope set out in the relevant purchase order and subject to a range of assumptions (largely estimated time and materials). In cases where the needs of the customer change or those assumptions do not eventuate, which is not uncommon for longer term projects, a change request process is implemented, and pricing is revised based on the revised scope. StepChange typically receives periodic payments throughout a project which are made on an agreed timeframe with the client. These typically occur approximately monthly and are generally payable within 14 days of delivery of an invoice.

Figure 3.5: Revenue Types

Revenue Type	Overview
Project Delivery	• Contracted delivery of ERP and Applications, Leadership and Strategy, Technology and Innovation or Sustainability Affairs Support projects • Based on an agreed fee for a specific scope (usually estimated based on time and materials)
Extensions	• At customer's election – extension of contracted projects

3.3.2 Sales & Marketing

Origination of new projects can be broadly grouped into the below categories:

Existing Customers	As outlined in Section 3.2.3, StepChange has long-term relationships with a range of public and private sector customers. StepChange is in constant dialogue with these customers, and is regularly engaged by existing customers to work on new projects or extensions of existing projects.
RFP Tenders	Tender processes are often used by government organisations and other large enterprises when procuring service providers for large scale projects. These can be either open or closed invitations to tender. StepChange is a member of a number of panels which assist with winning work through tenders, including the Common Use Agreement panel for WA Government purchasing, as well as being on various corporate supply lists and holding strong relationships with the executives of large enterprises who invite them to tender.

The sales functions for StepChange has historically been led by its owners (Jason Nesa and Kim Carroll), together with their account managers. Following Listing, a senior manager at StepChange is expected to play an increased role in the Group's sales function.

3.4 KEY BUSINESS STRENGTHS

This Section 3.4 sets out the Directors' beliefs regarding the key strengths of StepChange's business and associated opportunity to leverage those strengths post-Listing as part of the Group's combined service offering.

Breadth of offering	The breadth of StepChange's offering provides the capability for customers to be supported through the full ERP project cycle, from project inception through to design, execution and support. Services include: • strategic alignment and execution; • program and project management; • change management; • business transformation, including SAP implementations, SAP upgrades, SAP integrations and customised SAP solutions to address a business' specific challenges and requirements; • cloud solutions and managed services; • data analytics; • strategic role to support approvals, regulatory requirements and audits; and • business intelligence to support comprehensive insights to make data-driven decisions and optimise performance.

Independent provider	StepChange's comprehensive ERP capabilities to service customers' requirements provides favourable differentiation and a clear competitive advantage against competitors with more application-specific or niche offerings. Equally, the Group will be well positioned as an independent alternative to major consulting companies, avoiding complications and conflicts that can arise in larger service providers (for example, where the firm also provides audit or other compliance-related services).
Technical leadership	StepChange has established extensive track records of delivering large and complex SAP ERP projects to major enterprises across a range of industries. This has resulted in the accumulation through time of extensive capabilities and knowledge regarding the SAP ecosystem, which serves to differentiate StepChange from other SAP ERP consulting service providers. StepChange has built strong expertise and frameworks that will enable it to provide an end-to-end delivery model, which the Directors believe will provide the Group with a competitive advantage over other entities.
Scalable platform	StepChange had a headcount of approximately 150 as at 31 March 2025 (comprising both permanent employees and contractors). The Group intends to hire and onboard new consultants in order to expand the billable resources of the Group, thus supporting future revenue growth. Given StepChange's strong track record of growth and increasing demand from end markets, the Directors believe the Group will be an employer of choice and will have the ability to attract qualified consultants to further scale operations.
Strategic Partner	StepChange is a trusted strategic partner specialising in the delivery of technology-driven transformation programs, with an expertise in SAP and enterprise-wide operational improvements. It is a registered SAP Partner and has a skilled team with various SAP badges which enables it to ensure cohesive, outcome-driven project executions.
Management and Board with extensive experience in IT services	The Group's executive management team will be comprised of industry experts with over 50 years of combined experience in ERP transformation consulting. Additionally, the Board includes Mr Geoffrey Lewis, a founder of 2 successful ASX IT services companies, ASG Group Limited (formerly ASX: ASZ) and COSOL Limited (ASX: COS). Further, former AFL coach and player Adam Simpson brings 30 years of leadership experience and is focused on instilling a high-performance culture within the Group.
Strong financial profile	StepChange has an attractive financial profile, exhibiting both revenue growth and profitability, and possessing capacity to support debt which could provide the Group with an increased ability to fund potential future acquisitions. StepChange has delivered consistent organic growth, with revenue increasing at a CAGR of 25% between FY22 and FY24. StepChange has also demonstrated an ability to grow earnings between FY22 and FY24, even with significant investment in overhead functions, product development and staff training so as to drive future growth, as outlined in Section 5.

3.5 GROWTH OPPORTUNITIES

The Group has numerous levers to drive organic and inorganic growth across its businesses, with key areas described below.

3.5.1 Organic growth opportunities

Transition from on-premise to cloud	As outlined in Section 4.3 of the Market Report contained in Section 4, organisations across ANZ and globally are increasingly adopting cloud solutions for their IT infrastructure. This adoption is supported by ERP providers shifting their offerings away from on-premise solutions, including SAP which will be terminating mainstream maintenance support for its SAP ECC solution at the end of 2027. According to data published by Gartner in October 2023, only 33% of SAP ECC users had bought or subscribed to licences to allow them to begin moving to S/4HANA. The Directors expect this will drive increased demand for transformation services from SAP's ANZ customers in the coming years, with many likely to choose to migrate to the cloud-based SAP 4/HANA, and the Group able to capitalise on StepChange's Australian relationships to capture this demand.
New logo wins	StepChange has a pipeline of opportunities with potential customers across Australia.
Expansion of service offerings	There are a number of opportunities for StepChange to expand its current service offerings to support a wider range of SAP ERP solutions, thereby deepening and extending the scope and scale of solutions offered to existing and new customers, which the Directors believe may result in expansion of the Group's customer base and in increase the average revenue per customer. This includes services which are complementary to its existing offerings, and development of new capabilities which address and align to new and evolving technologies and customer requirements. Opportunities include: • Extension of further services that enable greater consumption of SAP subscriptions or modules • Building out adjacent offerings it can provide to customers as part of the GROW with SAP and RISE with SAP premium offerings • Leveraging efficiency enablers such as automation and artificial intelligence to further enhance customers' adoption of the SAP offering

Grow its presence across Australia and internationally	Given StepChange's foundations and historic origins in Perth, Western Australia, its current customer base is weighted to that region and also to certain industries which are prevalent there (e.g. mining and energy). The Directors intend to expand the Group's presence across Australia both organically and inorganically, potentially including in the economic centres on Australia's east coast. StepChange has recently entered into a contractual arrangement with a Tier 1 energy customer in connection with the provision of services by StepChange to that customer's projects across the United States of America, Mexico, and Trinidad and Tobago. The Directors and management are in early stage discussions to determine the proposed strategy to be adopted to deliver services under that contractual arrangement with consideration being given to both direct engagement of personnel in those territories and the identification of service providers in those regions which may be open to partnering arrangements. As at the Prospectus Date, no formal discussions or contractual arrangements (binding or non-binding) have been entered into by StepChange or the Company in that regard.

StepChange's ability to successfully pursue organic growth opportunities is subject to specific risks such as the availability of personnel to be deployed to fulfil those opportunities and the requirement to satisfy any applicable regulatory requirements across a broader operational jurisdiction. See Sections 7.2.15 and 7.2.17 for further details.

3.5.2 Inorganic growth opportunities

The Group's post-Listing strategy includes the identification and acquisition of suitable organisations which represent an opportunity to complement and accelerate its objectives to expand its current service offerings, create new service lines, enhance core IP and grow its scale and presence across Australia and beyond.

As detailed by the Market Report in Section 4, the SAP services industry in ANZ includes a fragmented network of small participants. From the Directors' experience, such organisations are often comprised of a technical founder or leader, who has started the business and scaled a team; however, they have a limited ability to further attract customers, deliver larger projects or extend the breadth of their service offering.

The Directors believe that companies of this nature might be attractive acquisition targets for the Group, due to their potential ability to contribute to the achievement of the Group's strategic objectives while enabling the Group's expertise to be brought to bear to assist the acquired entities in addressing the challenges around scaling and servicing larger projects and customers as independent entities.

The Board will draw on their sector knowledge, awareness of the competitor landscape, and as appropriate, external advisers, to identify potential acquisition targets which offer similar services to the Business and which present an opportunity to expand the existing delivery capabilities of the Business, expand the client base of the Business through the provision of services to clients in different industries to that which the Business currently provides services (being predominantly energy and mining-based clients) or expand the Business into new regions or markets. offer similar services to the Business and which present an opportunity to expand the existing delivery capabilities of the Business, expand the client base of the Business through the provision of services to clients in different industries to that which the Business currently provides services (being predominantly energy and mining-based clients or expand the Business into new regions or markets. The Directors consider that the increased profile associated with being a listed entity on the ASX could also lead to inbound enquiries from entities seeking to be acquired.

The Directors believe that the Company is well placed through the experience, skills and knowledge of its Board and management, specifically Messrs Geoffrey Lewis and Shane Bransby to facilitate the pursuit of inorganic growth opportunities for the Company. Where appropriate, the Company will identify, through appropriate due diligence exercises whether any expansion of its workforce will be required to facilitate a particular intended expansion of the Company. However, the Board anticipates that the needs of the Company in respect of any proposed acquisition will need to be considered on a case by case basis having regard to the operation of the Group at that time.

The Directors believe that such inorganic growth opportunities may be funded by amounts raised under the Offer, cash forecasted to be generated by StepChange, equity funding arrangements or the acquisition by the Group of appropriate debt funding. These matters will be considered by the Directors at the appropriate time having regard to the needs of the Group and the interest of Shareholders.

As at the date of this Prospectus, the Company is in early-stage discussions with various potential acquisition targets. These discussions are ongoing and no contractual arrangements (binding or non-binding) have been entered into by the Company.

The pursuit by the Group of inorganic growth opportunities is subject to specific risks such as risks relating to the acquisition itself as well as integration risks. These risks are set out in further detail in Section 7.2.14.

3.6 KEY INVESTMENT HIGHLIGHTS

While the Board strongly urges all prospective investors to do their own research and seek independent advice as to any investment decision, the following points are highlighted:

(a) StepChange is an established business (having operated for more than 10 years), with a strong base of clients operating in a range of industry sectors. In FY24, it delivered work for 24 customers across a range of sectors, including a range of large Tier 1 and government organisations across Australia.

(b) StepChange specialises in the provision of ERP implementation and transformation services and solutions, with a focus on SAP as its strategic technology partner. SAP customers collectively generated 84% of total global commerce, and accounted for 98 of the 100 largest companies in the world. In addition, the revenue generated by SAP partners for providing SAP-related services is approximately 5 times greater than the revenue accruing to SAP itself, indicating a global market opportunity of more than $200 billion for SAP services providers such as StepChange.

(c) StepChange has a track record of profitability, with annual net profit after tax over the financial years ended 30 June 2022, 30 June 2023 and 30 June 2024 averaging $2.5 million.

(d) Following the Listing, the Directors believe the Group will hold a unique competitive position in the ANZ ERP market, with a broader service offering than small competitors and greater independence compared to larger consulting firms (where complications and conflicts can arise).

(e) There are a number of near-term organic growth opportunities including executing on a significant new contract pipeline, the opportunity to assist large-scale, global companies with the transition from on-premise SAP solutions to cloud-based ERP solutions, and a broadening of StepChange's service offering to support a wider range of SAP ERP solutions, providing new revenue opportunities with both new and existing customers.

(f) The increased access to capital provided by the Listing will give the Company greater financial capacity to pursue acquisition opportunities in relation to synergistic businesses and to expand StepChange's existing business footprint.

(g) The Company has in place a credible and effective team of Directors and senior executives who, along with the existing StepChange management team, have the expertise to progress the growth and expansion of the Group's service and solution offerings.

4. Industry Overview

Market Report

The IT Services Market in ANZ

May 2025

This report on the information technology (**IT**) services market in Australia and New Zealand (**ANZ**) has been commissioned from Frost & Sullivan by StepChange Holdings Ltd. (hereafter referred to as the **Company**) to support its initial public offering (**IPO**) process.

1. Background, Definitions, and Methodology

1.1 Background

The Company has entered into an agreement to acquire leading Australian-based IT services provider, StepChange Consultants Pty Ltd (**StepChange**), whose business focus is supporting clients to achieve enterprise resource planning (**ERP**) transformations, including offering leadership, strategy and change, SAP and applications, and technology and innovation services including cloud services, data analytics and cybersecurity.

1.2 Definitions

Key definitions used in this report are given below:

1.2.1 IT Services

IT services refer to a range of services provided on a commercial basis to organisations by third-party suppliers to design, build, and run IT the client's solutions. IT services providers leverage technical expertise to support clients to maximise the value from their IT solutions and infrastructure, and can provide skills that clients lack internally, an independent perspective, as well as delivering additional resources for project-based engagements. IT services can be provided on a temporary or ongoing basis and can include project-specific work and the ongoing management and operation of IT related processes such as IT infrastructure maintenance and support, application management, cybersecurity, etc. (**Managed Services**).

IT services can also be defined by the type of IT applications involved, which can include services focused on the selection, design, implementation, and management of ERP solutions (**ERP services**).

1.2.2 Enterprise Resource Planning (ERP)

ERP is a software solution that supports organisations to manage all their core functions, typically including financial management (**Financials**), human capital management (**HCM**), customer relationship management (**CRM**)/sales, manufacturing, supply chain management (**SCM**), procurement and others. ERP solutions support clients to manage these functions through an integrated system, comprising various modules or applications sharing a common database within a single ERP suite. ERP solutions often include functionality specific to an industry sector, such as Manufacturing or Retail.

ERP solutions offer a range of benefits to users, including higher productivity through automation and greater efficiency in business processes; deeper and faster insights into business performance; accelerated reporting; greater visibility and control of business operations; and simplification of IT infrastructure as all key applications use a common database. ERP solutions are increasingly using artificial intelligence (**AI**) capability in their functionality, offering additional benefits to users.

ERP solutions were traditionally deployed on-premise, where the software is installed on servers owned and maintained by the user with the user responsible for maintenance and upgrade of software and hardware. However, cloud deployment (also referred to as Software as a Service (**SaaS**)) is now the predominant deployment type, wherein the software is delivered over the internet, with the software provider responsible for maintenance, upgrades and security. This offers lower upfront costs, improved scalability, and easier upgrade and maintenance for users. Cloud deployment can include public and private clouds (an isolated cloud computing environment dedicated to a single organisation). Additionally, hybrid deployment models exist wherein some applications and data are hosted on public cloud and others on private cloud. ERP vendors are actively supporting clients to migrate to cloud solutions.

There are many vendors of ERP solutions globally. These solutions are commonly categorised into Enterprise and Mid-market offerings. Typically, the Enterprise market is defined as organisations with revenue over US$1 billion and/or 1,000+ employees, and the Mid-market as organisations with revenue of US$50 million+ and/or 100+ employees (although the exact definition of each segment differs between vendors). The major ERP solution providers for the Enterprise market are SAP and Oracle. These companies also serve the Mid-market with Mid-market specific product solutions, but there is a range of other Mid-market ERP solution vendors that in ANZ includes Microsoft, Technology One, Infor, Sage, Epicor, Pronto, and MYOB.

1.3 Methodology

Data provided in this report is based on publicly available data sources, including governmental statistics and reports, company websites and presentations, articles and press reports, and analyst reports.

All financial data in the report is in Australian dollars ($) unless otherwise stated. Where required, values have been converted from other currencies based on the exchange rate as at March 31, 2025.

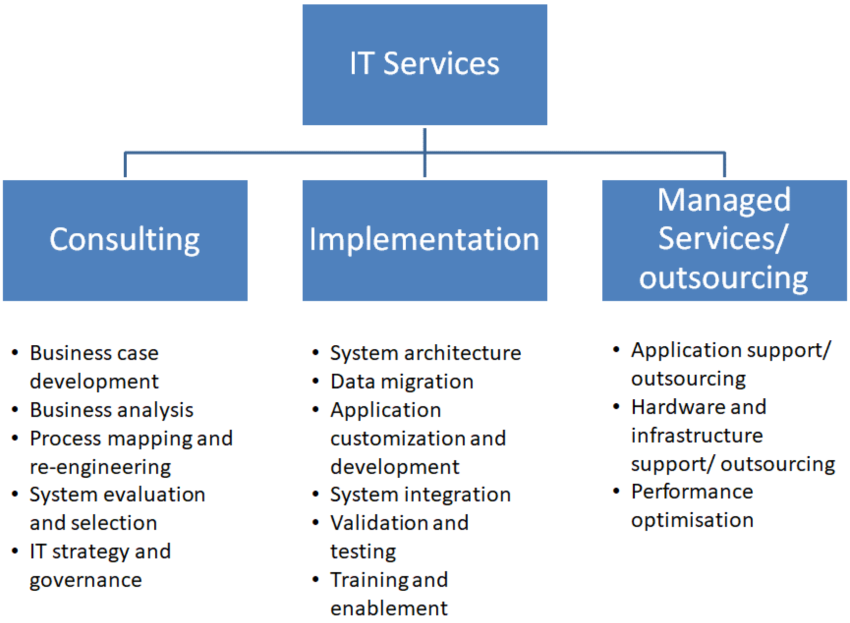
2. The IT Services Market

2.1 Types of Services

IT services can be broadly categorised into three service types: consulting/advisory, implementation, and Managed Services/outsourcing (sometimes referred to as design, build, and run). Consulting and implementation services are generally project-based (although service providers can have long-term relationships with individual clients), whereas Managed Services/outsourcing involves an ongoing business relationship wherein a service provider is responsible for long-term management of key functions or applications on behalf of the client.

The taxonomy of IT services as defined in this report is illustrated below, with examples of types of service provided under each broad service category.

Figure 1: IT Services Taxonomy, ANZ, 2025



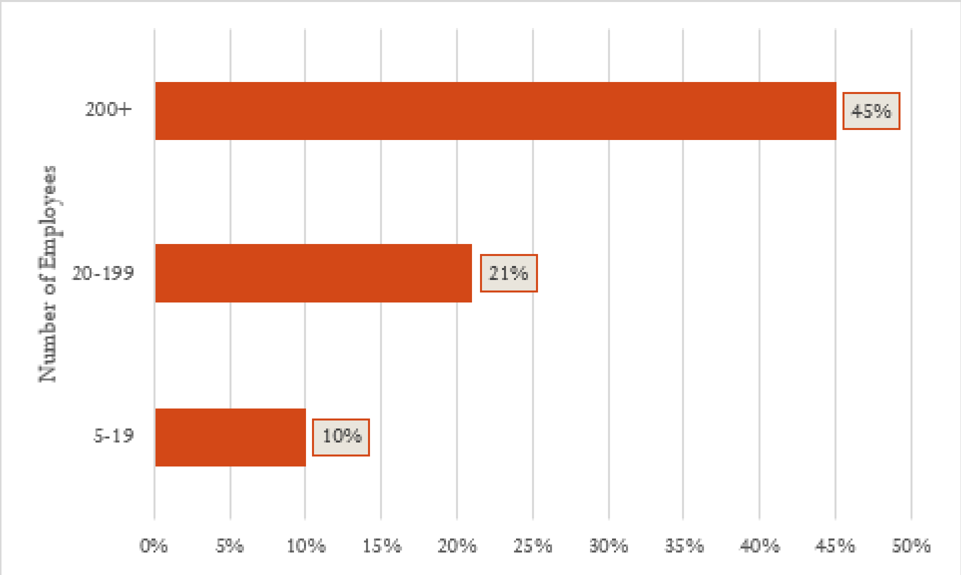
Source: Frost & Sullivan. As defined in this report, IT Managed Services exclude outsourcing of business processes that may be technology-enabled, such as contact centre and payroll services, but which are not classified as IT functions

2.2 Customer Groups

Customer groups for IT services can be defined by the size of the organisation as well as by industry sector. Generally, larger organisations are more likely to utilise IT services providers as they have more complex and business-critical IT environments. In 2022, almost half (45%) of larger businesses used external IT consultants but only 10% of smaller businesses.[1] This indicates that the main market opportunity for IT services is with larger organisations.

[1] Australian Bureau of Statistics (ABS), Characteristics of Australian Business, 2023

Figure 2: Use of External IT Consultants by Size of Business, ANZ, 2022



Source: ABS

IT services are used across all sectors, with Financial Services, Communications & Media and Manufacturing & Resources the largest end-user sectors in ANZ (see section 5.1).

3. ERP Services

3.1 The ERP Ecosystem

The ERP ecosystem comprises ERP clients, the vendors of ERP software as well as the network of IT services and consultancy firms that support clients to design, build, and run ERP solutions.

3.1.1 ERP Clients

Use of ERP solutions is widespread amongst larger organisations in ANZ, with almost two-thirds (63%) of Australian businesses with 200+ employees using ERP software. Among medium sized companies (20-199 employees) penetration is much lower at approximately 20%.[2] Overall, approximately 35,000 organisations are estimated to be using ERP solutions in ANZ,[3] however this leaves a significant opportunity for further growth in ERP deployments given that there are about 77,000 organisations in ANZ with 20+ employees.[4]

The Mid-market offers the strongest growth opportunities for ERP implementation. Consequently, ERP vendors such as SAP which traditionally focused on larger organisations (the Enterprise market) are increasingly targeting the Mid-market with specific software solutions (e.g., SAP Business ByDesign and SAP BusinessOne) and tailored implementation approaches (such as GROW with SAP).

[2] ABS, Characteristics of Australian Business, 2023
[3] Frost & Sullivan estimate based on ABS, Characteristics of Australian Business, 2023
[4] ABS, Counts of Australian Businesses, 2023, and Statistics NZ, Business Demography Statistics, 2023

In addition to private sector organisations, ERP solutions are widely used across the public and not-for-profit sectors. For example, SAP has recently renewed a whole-of-government agreement with the Australian Commonwealth (negotiated through the Digital Transformation Agency (**DTA**)) providing government agencies with access to SAP's solutions. The most recent agreement for three years was announced in June 2024.[5] The previous agreement initially signed in 2017 was estimated to have been worth almost $900 million with almost 300 individual contracts.[6]

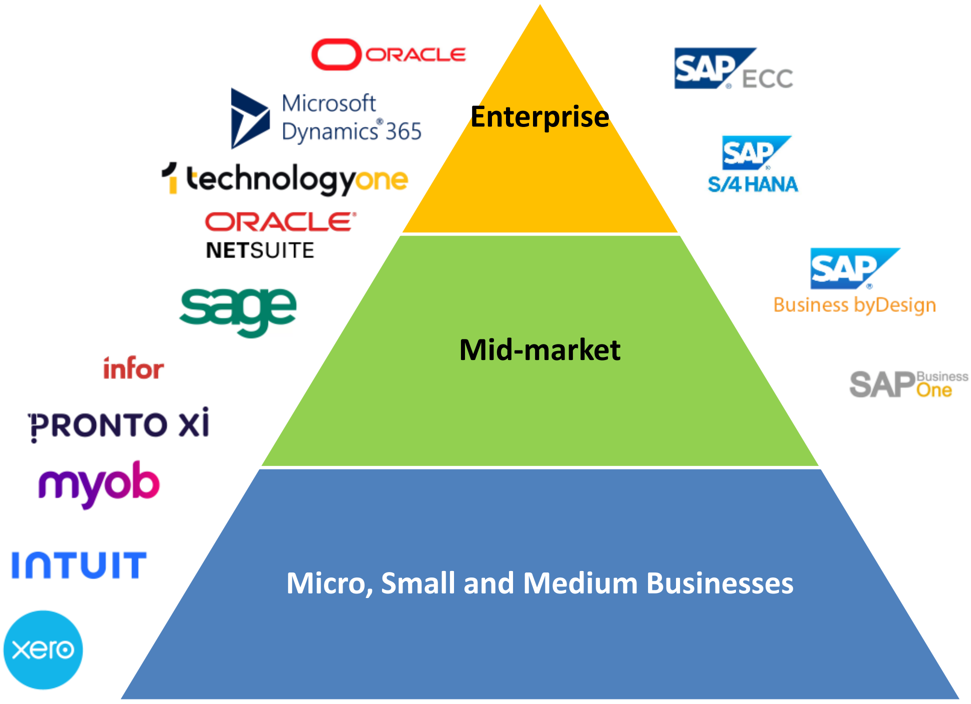
3.1.2 ERP Vendors

There are many vendors of ERP software, mainly competing in the Mid-market. SAP and Oracle dominate the Enterprise market in ANZ and are also increasingly competing in the Mid-market with their specialist Mid-market solutions (such as SAP BusinessOne, SAP Business ByDesign, and Oracle NetSuite). Unlike Enterprise customers, which typically have the resources to undertake customisation, Mid-market customers are generally looking for preconfigured solutions for their specific needs.

A summary of the main ERP software vendors in ANZ by market positioning is given below, together with SAP's ERP product offerings by market segment. This is not exhaustive, with many other vendors also active, particularly in the Mid-market (such as Syspro, Epicor, Ramco, and Workday). Micro, small, and medium businesses (**SMBs**) have relatively low penetration of full ERP products, with most utilising small-business specific software, such as Xero and Intuit (Quickbooks), or basic spreadsheets.

[5] DTA, accessed from https://www.dta.gov.au/media-release/new-dta-and-sap-agreement
[6] ANZSAP, accessed from https://anzsapmagazine.com.au/all-topics/news/new-deal-to-offer-sap-software-services-to-government-on-most-favourable-terms

Figure 3: Main ERP Software Vendors, ANZ, 2025 (non-exhaustive)



Source: Frost & Sullivan

Globally, and in ANZ, SAP is ranked as the market leader in ERP software. Oracle is ranked as the number two participant both globally and in ANZ. Although estimates of market share vary, SAP is estimated to have 20% of the global ERP software market, and 20-25% in ANZ.[7] Microsoft has also significantly penetrated the ERP market through its cloud-only Dynamics 365 product. Other major participants include Sage, Technology One (particularly in the public sector/Education), Infor, and Epicor.

SAP was established in 1972 and now operates globally with more than 425,000 customers in 180 countries. In 2024, SAP global revenue was €34.2 billion ($58.6 billion).[8] In common with other ERP software vendors, SAP relies upon and fosters an ecosystem of partners including resellers and consulting and implementation partners to support clients in using its solutions. It is estimated that revenue for SAP partners for providing SAP related services is approximately 5x the revenue accruing to SAP itself from software and cloud, indicating a global market opportunity of >$200 billion.[9]

In ANZ, SAP revenue in 2023 was approximately $1.6 billion, with almost two-thirds (64%) from cloud and software licenses, and the balance from services.[10]

In addition to its core ERP offerings, SAP also offers related software products which can be implemented as standalone 'point' solutions, including SAP Concur (for expense management), SAP SuccessFactors (HCM management) and SAP Ariba (spend management). Many of these solutions have been added

---

[7] Frost & Sullivan
[8] SAP Integrated Report, 2024
[9] Equiteq, SAP Ecosystem M&A Report, 2023
[10] Frost & Sullivan estimate for ANZ, based on SAP Australia financial report, 2023

through acquisitions, and the broadening of SAP's product portfolio gives its service partners a greater range of SAP solutions to work with, expanding the market for their services.

ERP vendors, like most providers of business software, generally derive revenue from services as well as software sales. However, the majority of IT services revenue is captured by independent IT services companies.

3.1.3 ERP Service Partners

IT services companies generally have a symbiotic relationship with the ERP software vendor, providing a scale of support to customers that the ERP vendor is unable to provide in-house, as well as local and industry-specific services. Partners are often key to successful implementation and use of ERP solutions by clients. Consequently, ERP vendors encourage and support partners through formal partnership and channel programs.

As the leading ERP software vendor, SAP is estimated to have almost 27,000 partners within its ecosystem globally, supporting them through programs such as SAP PartnerEdge.[11] SAP's ecosystem includes a hierarchy of partnership levels, including Silver, Gold and Platinum Partners, based on their ability to exceed SAP's stringent quality and expertise requirements. SAP Gold Partners are certified based on offering a comprehensive solution delivery capability and high customer satisfaction, whilst Platinum Partners are organisations that have demonstrated the highest level of commitment to SAP's solutions.

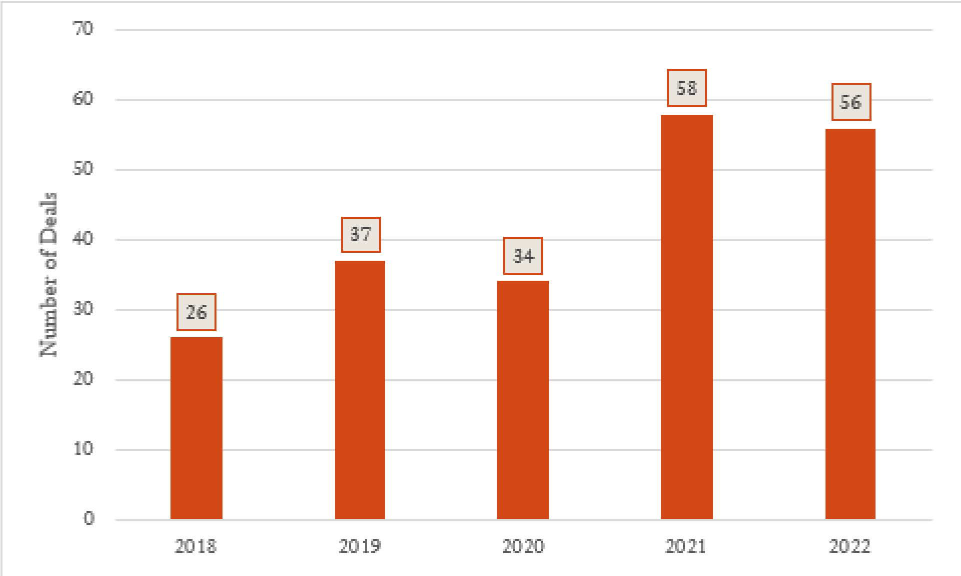
SAP partners include those with RISE by SAP and GROW with SAP validation. RISE by SAP is SAP's methodology to support the migration of existing on-premise customers (typically Enterprise customers) to the cloud using a consistent approach. RISE by SAP validated partners meet the minimum training and delivery requirements for delivering RISE with SAP implementations. GROW with SAP is a similar methodology to support customers (mainly Mid-market) migrate to cloud ERP, including first-time ERP users. GROW with SAP partners demonstrate continuous commitment and expertise in GROW with SAP.

In ANZ, SAP currently has approximately 120 official partners (112 in Australia and 34 in NZ, with some overlap between the two markets).[12]

The perceived attractiveness of the SAP services market has led to growth in merger & acquisition (**M&A**) activity in the sector as acquirers seek to build out capabilities or enter new geographic markets. In 2022 there were estimated to be 56 deals involving SAP partners globally, an increase from 26 in 2018.[13]

[11] SAP, corporate fact sheet, 2025
[12] SAP Partner Finder, accessed from https://partnerfinder.sap.com/partnerNavigator
[13] Equiteq, SAP Ecosystem M&A Report, 2023

Figure 4: Number of Deals Involving SAP Partners, Global, 2018 to 2022



Source: Equiteq

M&A deals include several in ANZ, such as Capgemini's acquisition of Acclimation in 2021,[14] Accenture's acquisition of Bourne Digital in 2023,[15] and KPMG's acquisition of Think180 in 2023.[16]

3.2 Types of Services

ERP service partners can offer a range of services, including:

- Solution sales (reselling)
- Solution building (system selection, and customisation)
- Consulting services (system design, development, implementation, and integration)
- Solution management (application management, service, and ongoing system development)

Service partners can focus on specific services and/or customer types or offer a broad range of services across the types listed above. Services offered by partners can include business case development and product selection, business analysis, process map and process re-engineering, solution deployment, data migration, solution validation and testing, change management and training, performance optimisation, and ongoing application, infrastructure, and security management.

In addition to supporting implementation, SAP service partners support clients in creating implementation roadmaps, process redesign, stakeholder management, minimising business disruption, and offering overall project management to ensure implementation stays on budget and to time.

[14] Cap Gemini, accessed from https://www.capgemini.com/au-en/news/press-releases/capgemini-acquires-leading-australian-sap-consulting-and-digital-solution-provider-acclimation/
[15] Accenture, accessed from https://newsroom.accenture.com/news/2023/accenture-acquires-bourne-digital-expanding-sap-digital-design-capabilities-in-australia
[16] KPMG, accessed from https://kpmg.com/au/en/home/media/press-releases/2023/02/kpmg-to-acquire-think180.html

4. Market Trends and Drivers

This section describes the key trends that are driving the use of IT services, including the digital transformation of enterprises, changing business models, migration to cloud services, an increased propensity to outsource, and business process automation.

4.1 Digital Transformation of Enterprises

Digital transformation is a top priority for many organisations in ANZ, with 45% ranking it as a top business priority in 2023. Main areas of focus include digital workplace (46% of organisations), customer experience (40%), cyber resiliency (40%) and process automation (37%).[17]

Developments in technologies such as AI and data analytics offers ANZ organisations the opportunity to transform their business operations and achieve significant improvements in productivity and customer experience. Whilst in 2022, only 5% of Australian businesses were deploying advanced analytics and 1% AI, this is forecast to increase to 54% and 63% respectively by 2030, with investment of $27 billion in AI and $15 billion in data analytics in 2030. However, a forecast lack of workers with the relevant skills means that enterprises are increasingly likely to look to third parties to support them in designing and implementing solutions using these technologies.[18]

4.2 Changing Business Models

IT solutions are increasingly required to support organisations adopting changes to their business models. This can include the growth in remote working, which drives demand for business applications that can be accessed remotely, use of new sales channels (such as direct to customer models), and enhanced customer support functions. For example, in 2022 90% of larger businesses in Australia (200+ employees) reported that IT had generated positive outcomes for them, including improved responsiveness to customer needs (71%), better coordination of business activities (74%), and improved workflow efficiencies (58%).[19]

4.3 Migration to Cloud Services

Over recent years, organisations have increasingly adopted cloud solutions for their IT infrastructure, including for key software. In 2022 90% of larger businesses in Australia (defined as 200+ employees) were using cloud computing services, and 81% of medium businesses (20-199 employees).[20] Cloud computing services are increasingly used for business software, including for ERP, with many organisations now migrating their ERP solutions to the cloud.

This trend is supported by leading ERP providers planning to terminate mainstream maintenance support for on-premise solutions in favour of cloud offerings. For example, SAP is terminating free support for its on-premise ERP Central Component (**SAP ECC**) solution in 2027 (with optional extended maintenance available until 2030). ECC's successor product is S/4 HANA which is most commonly deployed as a cloud solution (SAP S/4 HANA Cloud, available in both public cloud and private cloud editions), and SAP is strongly promoting its cloud offering. However, migration to S/4 HANA is a complex undertaking and

[17] Ecosystm Digital Enterprise Study, 2022-23
[18] Deloitte, ACS Australia's Digital Pulse, 2023
[19] ABS, Characteristics of Australian Business, 2023
[20] ABS, Characteristics of Australian Business, 2023

consequently by the end of 2023 only 27% of existing ECC customers are estimated to have gone live with an S/4 HANA migration globally,[21] and only 16% in ANZ.[22] Given the potential six year window until 2030, this is likely to drive significant demand for implementation services to support S/4 HANA migrations. In Australia alone, there are estimated to be 500+ users likely to migrate to S/4 HANA.[23] This migration is forecast to drive annual growth of 20%+ in the S/4 HANA market to 2030.[24]

S/4 HANA migration can involve a 'brownfield' approach (i.e., migration without a new implementation and disruption of existing processes) or 'greenfield' (i.e., complete reengineering of an organisation's processes and workflows). Greenfield projects are accounting for a majority of implementations as they are seen as maximising the benefits of the migration, which drive significant demand for support services, as organisations see the migration as an opportunity to undertake more significant business transformation.[25]

4.4 Increased Propensity to Outsource

Growing IT complexity compels businesses to outsource solutions management to expert third parties to improve business agility and more effectively manage digital transformation. Inefficient in-house models are giving way to more flexible, scalable and cost-effective outsourcing arrangements. With businesses needing to right-size existing IT infrastructure and more effectively leverage IT assets and staff to achieve broader business goals, a trusted partner with the appropriate technology expertise, flexibility and portfolio is seen as extremely valuable.

In addition, enterprise customers need support in dealing with cyber security threats, ensuring network reliability, automating business processes, managing enterprise mobility, managing multi-vendor solutions and legacy systems integration.

By outsourcing IT functions to a specialist service provider, organisations can achieve greater cost efficiency as their Managed Services provider (**MSP**) benefits from economies of scale, expertise, and leading technologies to deliver services more efficiently than in-house resources. Managed Services can be scaled up or down depending on business requirements and allow organisations to focus on their core business activities.

4.5 Business Process Automation

A further driver for use of IT services is the increased desire amongst organisations to use IT solutions to automate business processes. This allows for greater consistency in process delivery, improved accuracy, higher productivity, enhanced customer satisfaction, and reduced costs. Many automation functions are an integral part of ERP solutions in areas such as recruitment and onboarding, payroll, workforce scheduling, invoicing, customer experience and compliance and regulatory tasks.[26]

---

[21] Gartner, accessed from https://www.gartner.com/doc/reprints?id=1-2H6X5ETM&ct=240404&st=sb
[22] Precision Sourcing, SAP Market Report, Q3 2024
[23] SAP, accessed from https://news.sap.com/australia/2020/10/23/australia-poses-real-growth-opportunity-for-global-sap-partners/
[24] DataIntelo, accessed from https://dataintelo.com/report/global-sap-s-4hana-application-market#:~:text=The%20global%20SAP%20S%2D4hana,growing%20reliance%20of%20digital%20solutions
[25] Forrester, accessed from https://www.forrester.com/blogs/our-reflections-on-sap-sapphire-2023/
[26] SAP, accessed from https://www.sap.com/australia/products/technology-platform/process-automation/what-is-process-automation.html

Automation of business processes using solutions such as ERP generally requires business process redesign, driving a need for use of external service providers to support organisations to effectively implement solutions.

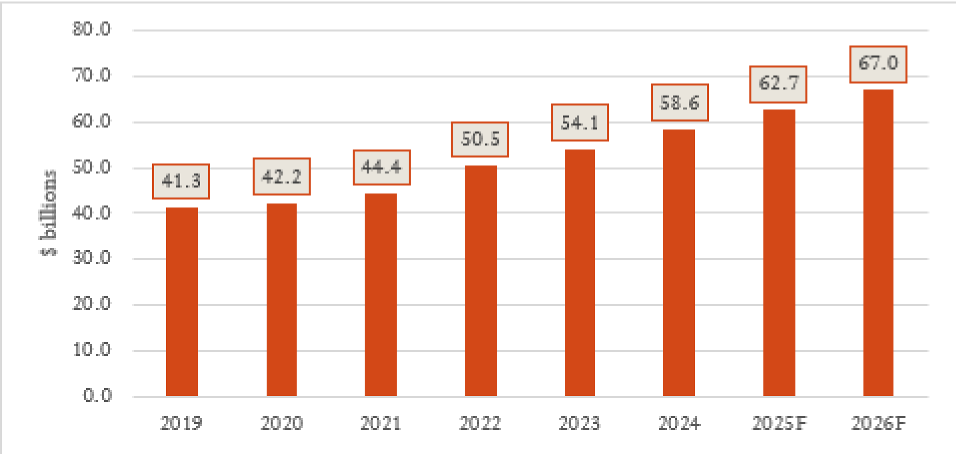
5. Market Size and Growth

This section describes the size and growth of the IT services market in ANZ, including the size and growth of the market for SAP services.

5.1 IT Services

In 2024, the overall IT services market in ANZ was estimated at $58.6 billion and is forecast to reach $67.0 billion in 2026. Between 2019 and 2026 the market is anticipated to grow at 7.2% compound annual growth rate (**CAGR**), well ahead of GDP growth over this period and reflecting the factors outlined in section 4 which are driving growth in expenditure on IT services.[27]

Figure 5: IT Services Market, ANZ, 2019 to 2026F

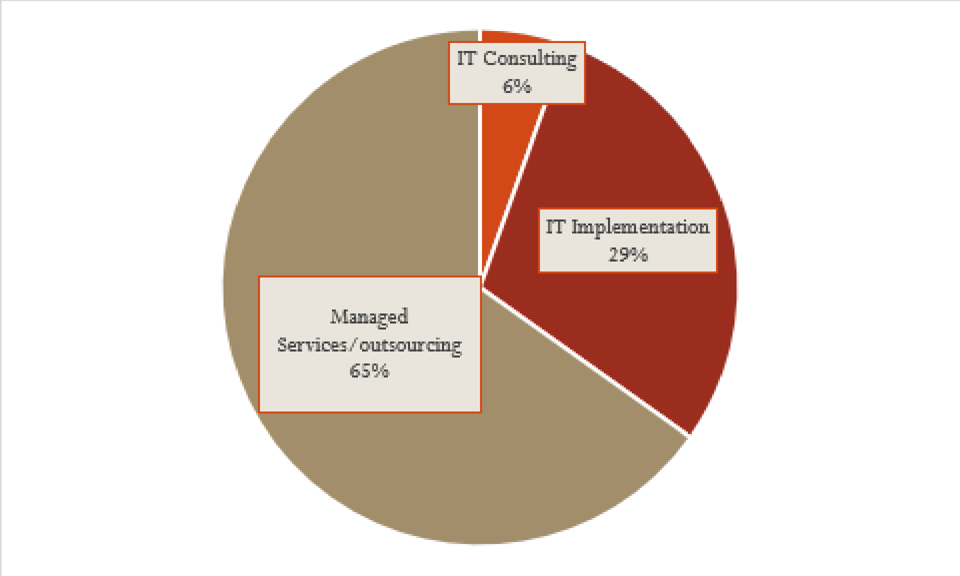


Source: Frost & Sullivan

By type of service, Managed Services/outsourcing is the largest component of the IT services market, accounting for almost two-thirds (65%) of industry revenue. This is also the fastest growing service reflecting the growing desire for clients to outsource key IT functions to specialist providers.

Figure 6: IT Services Market by Service Type, ANZ, 2025

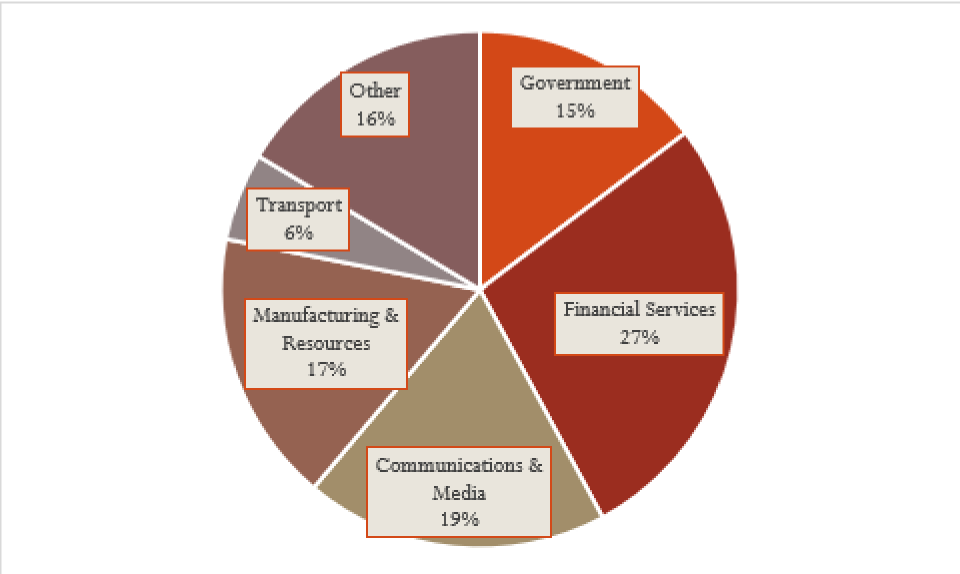
[27] Frost & Sullivan



Source: Frost & Sullivan

The largest end-use sectors for IT services are Financial Services, Communications & Media, and Manufacturing & Resources which cumulatively account for almost two-thirds (63%) of the IT services market in ANZ.[28]

Figure 7: IT Services Market by Industry Sector, ANZ, 2025



Source: Frost & Sullivan. Other includes Utilities, Retail, Healthcare, Education and Wholesale

5.2 SAP Services

5.2.1 Overview

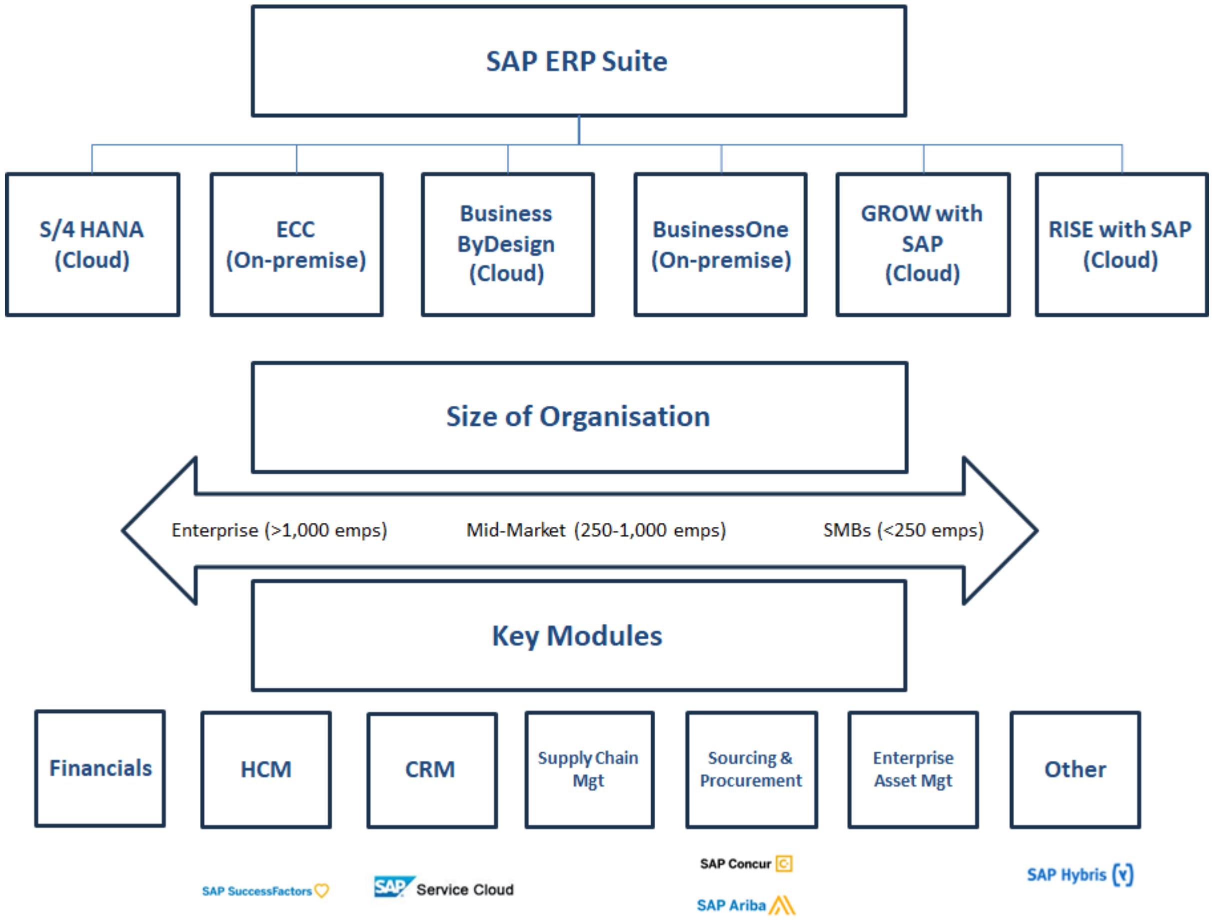
SAP services involve the design, build, and run of SAP applications by third-party providers. As mentioned above, SAP has built out its software suite over recent years to include a range of applications for both

[28] Frost & Sullivan

Enterprise and Mid-market customers. The breadth of SAP's solutions offers significant scope for service providers, with many specialising in individual solutions, industry sectors, or implementation methodologies/stages.

SAP's current ERP product solution landscape is illustrated below.

Figure 8: SAP Solution Landscape, Global, 2025

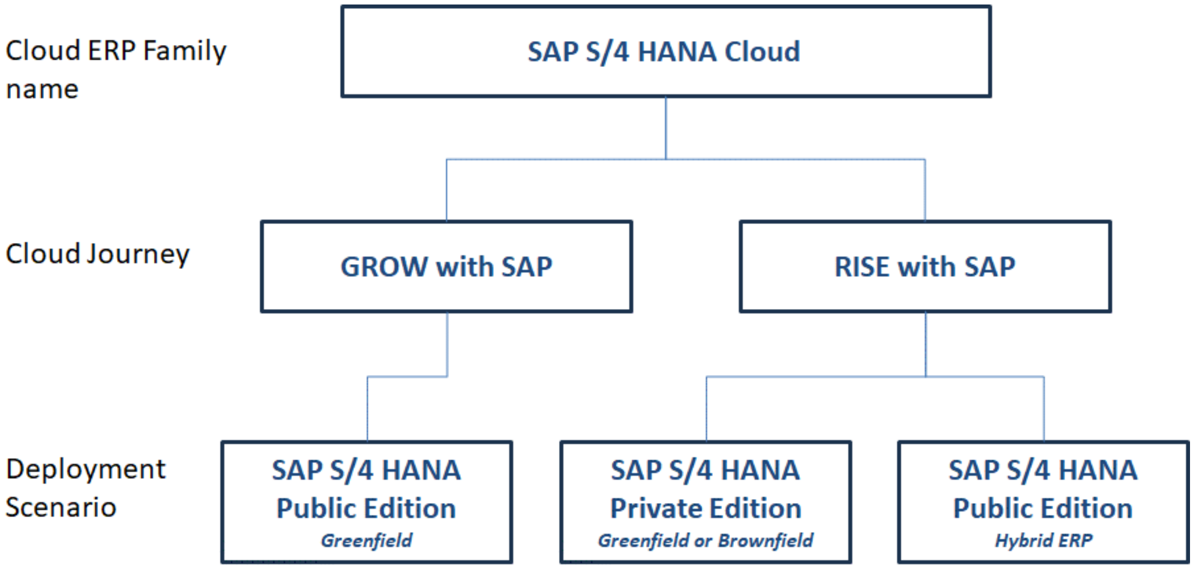


Source: Frost & Sullivan

As mentioned in section 3.1.3, SAP has developed the GROW with SAP initiative to support first-time SAP (or ERP) users to successfully implement an SAP cloud ERP solution. GROW with SAP complements RISE with SAP, which is a solution aimed at larger, existing SAP users migrating to the cloud from on-premise.

GROW with SAP involves a greenfield deployment using the public cloud edition of S/4 HANA whilst RISE with SAP can involve greenfield or brownfield deployments typically using the private cloud edition or a hybrid public/private cloud deployment.

Figure 9: GROW and RISE with SAP Summary, Global, 2025



Source: Bramasol, accessed from https://ignitepossible.bramasol.com/blog/latest-updates-and-insights-on-sap-rise-and-grow

GROW with SAP is designed to support organisations, primarily in the Mid-market, to adopt SAP's cloud ERP solution smoothly and quickly. The initiative includes a complete package of technology, service, and support (including best practices, adoption acceleration services, community, and learning) with free access to SAP's latest version of its cloud-native ERP for up to six months and with a delivery timeframe of four to six weeks.[29]

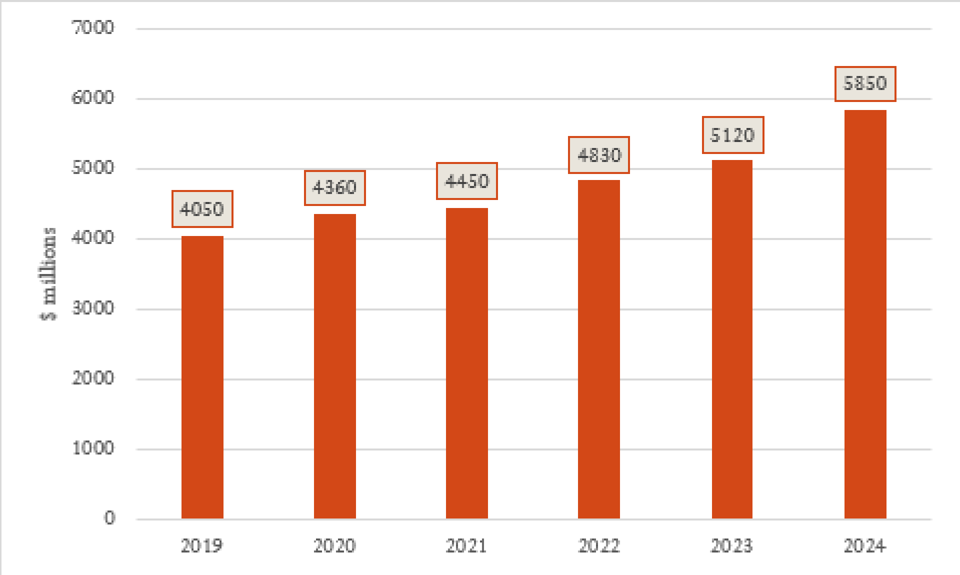
As GROW with SAP is likely to significantly improve the cloud ERP adoption process for new users and is being strongly promoted by SAP itself. Hence, GROW with SAP is likely to stimulate the market for SAP services.

5.2.2 Market Size

The ANZ market for SAP services (excluding services provided by SAP itself) is estimated at $5,850 million in 2024. The SAP services market grew at 7.6% CAGR from 2019 to 2024, a stronger growth rate than the broader IT services market and particularly reflecting the strong demand for services to support S/4 HANA migrations as well as Mid-market implementations.[30]

[29] SAP, accessed from https://www.sap.com/australia/products/erp/grow/scaleups.html
[30] Frost & Sullivan

Figure 10: SAP Services Market, ANZ, 2019 to 2024



Source: Frost & Sullivan. Excludes services provided by SAP itself

6. Competitive Environment

This section describes the competitive ecosystem in IT services in ANZ.

6.1 Competitive Ecosystem

Overall, there is estimated to be ~12,500 SAP specialist resources in ANZ working for SAP service partners.[31] These resources are employed across a range of IT services providers.

The competitive ecosystem for IT services in ANZ can be profiled based on the geographic coverage and service scope of IT services providers. The largest providers are the main IT and management consultancies which operate globally, and which provide an extensive range of IT services ranging from consulting to Managed Services, allowing them to offer a wholistic service. These include Accenture, Capgemini, Deloitte, etc. These organisations typically focus on Enterprise customers and have the capability to undertake projects spanning multiple regions. However, their relatively higher costs can preclude them from some clients, they are sometimes seen as inflexible and remote, and the fact that some also provide services such as tax and audit can create perceptions of conflict of interest in some cases.

A second group is comprised of organisations mainly operating regionally and focused on IT implementation, application development, and related services, such as NTT Data, HCL Tech, Fujitsu, and Wipro. These organisations have the capability to undertake larger, more complex projects but often lack upstream consulting capability. They may also have gaps in their geographical coverage.

A third group is comprised of organisations such as StepChange which operate nationally or semi-regionally and offer a broad range of services from consulting to Managed Services with the capability to

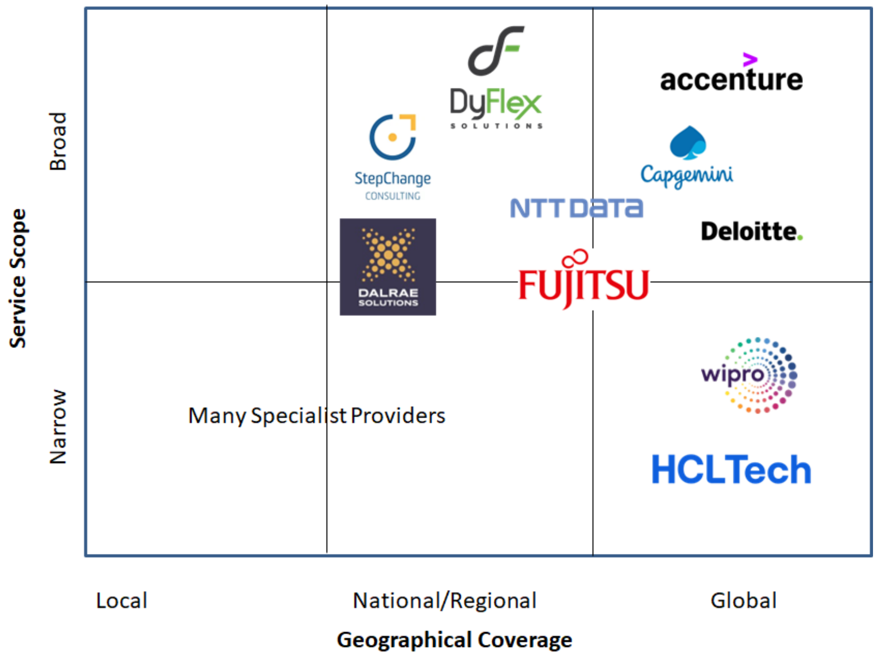
[31] Precision Sourcing, SAP Market Report, Q3 2024

undertake larger and more complex projects on a national or regional basis. These organisations can offer lower costs and greater flexibility than the group 1 and group 2 players and are often chosen by clients looking to engage an ANZ-based service provider with local resources and high responsiveness which also offers a breadth of services.

The fourth group is comprised of a fragmented network of smaller providers offering discrete services mainly on a localised basis. They generally lack the capability to manage larger and more complex engagements.

The IT services ecosystem (focused on SAP services) in ANZ is summarised below.

Figure 11: IT Services Ecosystem (SAP Services), ANZ, 2025 (non-exhaustive)



Source: Frost & Sullivan

6.2 Key Competitors

Key competitors in ERP services in ANZ include major global IT and management consultancies such as Accenture, Capgemini, KPMG, Deloitte, and EY; global/regional IT service providers including Fujitsu, Wipro, Infosys, and NTT Data; and locally owned companies operating across ANZ.

Major ANZ-based ERP specialists in addition to StepChange are listed below (the list is non-exhaustive). Many of these providers specialise in SAP solutions. The list excludes overseas owned entities with operations in ANZ.

Table 1: Locally-based ERP Services Providers, ANZ, 2025 (non-exhaustive)

Company	Head Office	Services	SAP Recognition
Bluetree	Melbourne	Planning and Analytics solutions specialists focused on SAP and Infor	Gold Partner
DalRae Solutions	Brisbane	SAP implementation specialists	Gold Partner
Discovery Consulting	Brisbane	SAP SuccessFactors specialists	Gold Partner
DyFlex Solutions	Perth	SAP implementation specialists	Platinum Partner
Enterprise Wide	Sydney	Specialists in SAP in the Retail sector	N/A
Fair Consulting Group	Sydney	Digital transformation specialists with a focus on SAP	Gold Partner
Leverage Technologies	Sydney	ERP implementation specialists focused on the Mid-market (SAP, MYOB, Sage)	Gold Partner
Perisoft Global Services	Sydney	SAP implementation specialists	Gold Partner
Realtech	Auckland	SAP implementation specialists	Gold Partner
SMC	Sydney	ERP and digital transformation specialists	N/A

Source: company websites

In selecting an SAP services partner, key capabilities that are perceived as differentiators by clients include:

- The ability to deliver business outcomes
- Consulting and design capabilities (a partner with strong consulting and design capabilities, providing comprehensive vison and road map for implementations)
- Strong capability in the relevant industry (industry knowledge and the ability to put the solution in context of the client's industry industry)
- Providing faster time to value (for example, by shortening implementation duration, delivering value early in the implementation, etc.)

- Technical talent and certified resources (availability of skilled technical and certified resource capable of solving technical problems).[32]

7. Conclusion

The IT services market in ANZ is estimated at $58.6 billion in 2024, and is growing at 7.2% CAGR, driven by a range of factors including the digital transformation of enterprises, changing business models, migration to cloud services, an increased propensity to outsource, and business process automation. The ERP services market is growing faster than the broader IT services market, driven particularly by the migration to the cloud among ERP users, and growing demand for ERP solutions from Mid-market organisations. With less than 50% of Mid-market and Enterprise organisations in ANZ currently using ERP solutions, there is significant room for further growth in ERP penetration and consequent demand for ERP services.

As a service provider predominantly focused on SAP services, StepChange has an addressable market opportunity of over $5 billion in ANZ, and this is growing at almost 8% CAGR. The SAP market offers significant growth opportunities as organisations migrate to S/4 HANA, and as SAP is increasingly adopted in the Mid-market. Whilst fragmented, the SAP services ecosystem is consolidating as larger players in IT services seek to build out capability and enter new markets.

8. Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in StepChange Holdings Ltd. and no interest in the outcome of the IPO or transaction. Payment of these fees to Frost & Sullivan is not contingent on the outcome of the IPO or transaction. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report, nor which may be assumed to have provided bias or influence. Frost & Sullivan consents to the inclusion of this report in the Prospectus in the form and context in which it is included. As at the date of this report, this consent has not been withdrawn. Frost & Sullivan does not hold a dealer's license or Financial Services License. This report does not constitute advice in respect of the IPO or transaction.

[32] IDC MarketScape: Asia/Pacific SAP Implementation Services Vendor Assessment, 2020

5. Financial Information

5. Financial Information

5.1 INTRODUCTION

The financial information of the Company, StepChange and the Group contained in this Section 5 has been prepared by the Company in connection with the Offer. It comprises Statutory and Pro Forma Financial Information for the years ended 30 June 2022 (**FY22A**), 30 June 2023 (**FY23A**), 30 June 2024 (**FY24A**) and the 6-month periods ended 31 December 2023 (**1H FY24A**) and 31 December 2024 (**1H FY25A**), together with the forecast financial years ending 30 June 2025 (**FY25AF**) and 30 June 2026 (**FY26F**) (collectively the **Financial Information**) as summarised in Table 5.1 below.

Table 5.1: Overview of the Group's Financial Information

	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	**Statutory Historical Financial Information** comprises the: • statutory historical income statements for StepChange for FY22A, FY23A, FY24A, 1H FY24A and 1H FY25A (**Statutory Historical Income Statements**); • statutory historical statements of financial position for StepChange as at 30 June 2022, 30 June 2023, 30 June 2024 and 31 December 2024 (**Statutory Historical Statements of Financial Position**); and • statutory historical cash flows for StepChange for FY22A, FY23A, FY24A, 1H FY24A and 1H FY25A (**Statutory Historical Cash Flows**).	**Pro Forma Historical Financial Information** comprises the: • pro forma historical income statements for the Group for FY22A, FY23A, FY24A, 1H FY24A and 1H FY25A (**Pro Forma Historical Income Statements**); • aggregated pro forma historical statement of financial position for the Group as at 31 December 2024 (**Aggregated Pro Forma Historical Statement of Financial Position**); and • aggregated pro forma historical cash flows for the Group for FY22A, FY23A, FY24A, 1H FY24A and 1H FY25A (**Aggregated Pro Forma Historical Cash Flows**).
Forecast Financial Information	**Statutory Forecast Financial Information** comprises the: • statutory forecast income statements for StepChange for FY25AF and FY26F (**Statutory Forecast Income Statements**); and • statutory forecast cash flows for StepChange for FY25AF and FY26F (**Statutory Forecast Cash Flows**).	**Pro Forma Forecast Financial Information** comprises the: • pro forma forecast income statements for the Group for FY25AF and FY26F (**Pro Forma Forecast Income Statements**); and • aggregated pro forma forecast cash flows for the Group for FY25AF and FY26F (**Aggregated Pro Forma Forecast Cash Flows**).

Also summarised in this Section 5 are:

- the basis of preparation and presentation of the Financial Information (refer Section 5.2);
- the pro forma adjustments to the Statutory Historical Financial Information and Statutory Forecast Financial Information and reconciliations to the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information (refer Sections 5.3, 5.4 and 5.5);
- details of net cash / (debt) as at 31 December 2024 (refer Section 5.4);
- the general and specific assumptions underlying the Forecast Financial Information (refer Sections 5.6);
- management's discussion and analysis of the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information (refer Section 5.7);
- an analysis of the key sensitivities of the Pro Forma Forecast Financial Information (refer Section 5.8);
- details of the proposed dividend policy (refer Section 5.9); and
- summary of key accounting principles (refer Section 5.10).

The Financial Information in this Section 5 should be read in conjunction with the risk factors set out in Section 7 and other information contained in this Prospectus.

All amounts disclosed in Section 5 are presented in Australian dollars, unless otherwise stated, and are rounded to the nearest thousand. Some numerical tables included in this Prospectus are subject to rounding adjustments. Any differences between totals and sums of components in the tables contained in this Prospectus are due to rounding.

5.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

5.2.1 Overview, preparation and presentation of the Financial Information

The Financial Information included in the Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flow and financial position of the Group, together with the forecast financial performance and cashflows for 2H FY25F and FY26F.

The Statutory Historical Financial Information in this Prospectus are general-purpose financial statements which have been prepared in accordance with Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act. The Pro Forma Historical Financial Information has been derived from the statutory historical financial statements of the Company and StepChange.

The Statutory Financial Information was audited by Elderton Audit Pty Ltd, in accordance with the Corporations Act, as stated in its Independent Audit Report. Investors should note the scope and limitations of the Independent Audit Report (refer Section 6).

In addition to the Financial Information, Section 5.2.2 describes certain non-IFRS financial measures that will be used to manage and report on the Group's business that are not defined under or recognised by AAS.

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information has also been reviewed by McGrathNicol Transaction Advisory Pty Ltd, in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, as stated in its Independent Limited Assurance Report. Investors should note the scope and limitations of the Limited Assurance Report (contained in Section 6).

5.2.2 Explanation of certain non-IFRS/AAS financial measures

Certain financial and other measures included in this Prospectus are not recognised under IFRS (or AAS). These measures are collectively referred to in this Section 5 and under Regulatory Guide 230:"Disclosing Non-IFRS Financial Information" published by ASIC as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **Capital expenditure** is primarily related to purchases of property, plant and equipment.
- **Cost of sales** comprises billable consultant costs, contractor payments and subscription fees to provide business and IT consulting services.
- **EBIT** is earnings or losses before interest (net finance income) and taxation.
- **EBITDA** is earnings or losses before interest (net finance income), taxation, depreciation and amortisation. The Group uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation.
- **Free cash flow** is operating cash flow less capital expenditure. The Group uses free cash flow as a measure of the net cash generated before interest and other investing cash flows.
- **Gross profit** is revenue less cost of sales.
- **Net cash from operating activities** is EBITDA after the removal of non-cash items in EBITDA (e.g. share-based payment expenses), including working capital movements. The Group uses operating cash flow as a measure to indicate the level of operating cash flow generated from EBITDA.
- **Net cash/(debt)** represents total loans and borrowings, bank overdrafts and other debt-like items, less cash and cash equivalents.
- **Significant items** refer to one-off transactions that have a material impact on an entity's financial performance such as transaction related adviser fees and other items of such a nature.
- **Working capital** is trade and other receivables, work in progress and other current assets less trade and other payables, accruals, and other current liabilities.

5.2.3 Preparation of Historical Financial Information

The Historical Financial Information presented in this Prospectus comprises the Historical Statutory Financial Information of StepChange for the years ended 30 June 2022, 30 June 2023, 30 June 2024 and the half year periods ended 31 December 2023 and 31 December 2024 and of the Company for the half year period ended 31 December 2024 as if they were one entity in these periods.

Given the Company was only incorporated in June 2024, the profit and loss statements for StepChange and the Company have not been aggregated in this Prospectus. Costs incurred in the Company primarily consist of public company costs and have therefore been presented as Pro Forma Adjustments. The Pro Forma Historical Financial Information has been prepared solely for inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information adjusted for the effects of the following Pro Forma Adjustments:

- completion of the Offer occurring;
- settlement of the Acquisition occurring;
- the removal of material one-off non-recurring items of expenditure that have been incurred by StepChange, including costs associated with the Offer and the Acquisition;

- the full year impact of the operating and capital structure that will be in place following Settlement as if it were in place as at 1 July 2021; and
- the tax impact of the above adjustments, as applicable.

Section 5.5.13 sets out the Pro Forma Adjustments to the Statutory Historical Statements of Financial Position. Pro forma adjustments were made to the Statutory Historical Statements of Financial Position to reflect the impact of the Offer and the Acquisition as if they had occurred as at 31 December 2024.

Section 5.5.23 sets out the Pro Forma Adjustments made to the Historical Statement of Cash Flows, as if the Offer and the Acquisition had occurred on 31 December 2024. Pro forma adjustments were made to the Statements of Cash Flows to reflect the cash impact of costs and proceeds associated with the Offer and the Acquisition.

5.2.4 Changes to presentation – classification of expenses

The Company has decided to change the classification of expenses for StepChange in the Statutory Historical Income Statements from a classification by nature, as disclosed in the audited FY22A, FY23A, FY24A, 1H FY24A and 1H FY25A financial statements to a classification by function.

The Directors believe disclosure of expenditure by function is reliable and more relevant than disclosure by nature. Going forward, the financial statements will be presented on a function basis of preparation.

5.2.5 Preparation of Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus. The Forecast Financial Information presented in this Prospectus comprises the Forecast Financial Information of StepChange for the 6-month period to 30 June 2025 and financial year ending 30 June 2026 and has been sourced from a forecast of StepChange for the 18-month period to 30 June 2026. The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information for FY25AF include the actual results of StepChange for 1H FY25A and the forecast results for 2H FY25F.

The basis of preparation and the presentation of the Pro Forma Forecast Financial Information is consistent with the basis of preparation of the Pro Forma Historical Financial Information. As such, the following Pro Forma Adjustments have been applied:

- completion of the Offer occurring;
- settlement of the Acquisition occurring;
- the removal of material one-off non-recurring items of expenditure that have been incurred by StepChange, including costs associated with the Offer and the Acquisition;
- the full year impact of the operating and capital structure that will be in place following Settlement; and
- the tax impact of the above adjustments, as applicable.

The Forecast Financial Information has been prepared by the Directors based on an assessment of current economic and operating conditions and on a number of best estimate general and specific assumptions regarding future events and actions set out in Section 5.6. The Forecast Financial Information should be read in conjunction with the sensitivity analysis described in Section 5.8, the risk factors described in Section 7, the significant accounting policies set out in Section 5.10 and other information in this Prospectus.

This information is intended to assist potential investors in assessing the reasonableness and likelihood of the assumptions occurring but is not intended to be a representation that the assumptions will occur. The Forecast Financial Information has been reviewed by McGrathNicol

Transaction Advisory Pty Ltd but has not been audited. Investors should note the scope and limitations of the Investigating Accountant's Report on the Historical and Forecast Financial Information (refer to Section 6).

The Directors believe the general and specific assumptions, when taken as a whole, to be reasonable at the date of this Prospectus. However, the information is not fact, and investors are cautioned not to place undue reliance on the Forecast Financial Information. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on the Company's actual financial performance, cash flows or financial position.

In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of the Company, the Directors and management, and are not reliably predictable.

Accordingly, none of the Company, the Directors and management or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Directors have no intention to update or revise the Forecast Financial Information or other forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

5.3 STATUTORY AND PRO FORMA HISTORICAL AND FORECAST INCOME STATEMENTS

5.3.1 Statutory Historical Income Statements and Statutory Forecast Income Statements – StepChange

Table 5.2: Statutory Historical Income Statements and Statutory Forecast Income Statements – StepChange

	Statutory Historical					Statutory Forecast	
A$'000	**FY22A**	**FY23A**	**FY24A**	**1H FY24A**	**1H FY25A**	**FY25AF**	**FY26F**
Revenue	27,411	40,271	42,805	22,732	20,433	42,194	47,289
Cost of sales	(23,513)	(34,729)	(37,010)	(19,614)	(17,756)	(36,626)	(40,029)
Gross profit	**3,898**	**5,542**	**5,795**	**3,119**	**2,677**	**5,568**	**7,260**
Employee expenses	(796)	(812)	(1,316)	(703)	(597)	(1,173)	(1,159)
General and admin expenses	(270)	(424)	(741)	(358)	(218)	(403)	(411)
Sales and marketing expenses	(89)	(42)	(86)	(54)	(29)	(57)	(66)
EBITDA excluding Significant Items	**2,742**	**4,263**	**3,651**	**2,004**	**1,833**	**3,935**	**5,624**
Significant items	-	-	-	-	(168)	(200)	-
EBITDA Including Significant Items	**2,742**	**4,263**	**3,651**	**2,004**	**1,655**	**3,735**	**5,624**
Depreciation & amortisation	(70)	(85)	(97)	(47)	(43)	(93)	(83)
Other income	-	3	5	2	19	40	42
Income tax expense	(686)	(963)	(818)	(389)	(522)	(1,078)	(1,503)
Net profit after tax	**1,986**	**3,218**	**2,741**	**1,569**	**1,119**	**2,604**	**4,080**

5.3.2 Pro Forma Historical Income Statements and Pro Forma Forecast Income Statements – Group

Table 5.3: Pro Forma Historical Income Statements and Pro Forma Forecast Income Statements – Group

	Pro Forma Historical					Pro Forma Forecast	
A$'000	**FY22A**	**FY23A**	**FY24A**	**1H FY24A**	**1H FY25A**	**FY25AF**	**FY26F**
Revenue	27,411	40,271	42,805	22,732	20,433	42,194	47,289
Cost of sales	(23,513)	(34,729)	(37,010)	(19,614)	(17,756)	(36,626)	(40,029)
Gross profit	**3,898**	**5,542**	**5,795**	**3,119**	**2,677**	**5,568**	**7,260**
Employee expenses	(1,476)	(1,537)	(1,886)	(1,083)	(937)	(1,853)	(1,839)
General and admin expenses	(657)	(811)	(1,128)	(551)	(411)	(790)	(798)
Sales and marketing expenses	(89)	(42)	(86)	(54)	(29)	(57)	(66)
EBITDA excluding Significant Items	**1,675**	**3,152**	**2,695**	**1,430**	**1,300**	**2,869**	**4,557**
Significant items	-	-	-	-	(168)	(200)	-
EBITDA Including Significant Items	**1,675**	**3,152**	**2,695**	**1,430**	**1,131**	**2,668**	**4,557**
Depreciation & amortisation	(70)	(85)	(97)	(47)	(43)	(93)	(83)
Other income	-	3	5	2	19	40	42
Income tax expense	(419)	(685)	(579)	(245)	(388)	(811)	(1,236)
Net profit after tax	**1,186**	**2,384**	**2,024**	**1,139**	**719**	**1,804**	**3,280**

5.3.3 Summary of Significant Items

Some transaction costs and audit fees (incurred in StepChange, which are subsequently recognised as Pro Forma Adjustments below) were incurred during 1H FY25A. These costs have been excluded from general and admin expenses and identified as "Significant Items". Refer to the summary table below.

Table 5.4: Summary of Significant Items – Group

A$'000	**FY22A**	**FY23A**	**FY24A**	**1H FY24A**	**1H FY25A**	**FY25AF**	**FY26F**
Audit fee (incl. legal and associated costs)	-	-	-	-	168	200	-
Total	**-**	**-**	**-**	**-**	**168**	**200**	**-**

5.3.4 Pro Forma Adjustments to the Statutory Historical Income Statements and Statutory Forecast Income Statements

Table 5.5: Pro Forma Adjustments to Statutory Historical and Statutory Forecast EBITDA – Group

A$'000	Notes	FY22A	FY23A	FY24A	1H FY24A	1H FY25A	FY25AF	FY26F
Statutory EBITDA (excl. Significant items)		**2,742**	**4,263**	**3,651**	**2,004**	**1,833**	**3,935**	**5,624**
MD and CFO remuneration	1	(670)	(670)	(670)	(335)	(335)	(670)	(670)
Public company costs	2	(387)	(387)	(387)	(193)	(193)	(387)	(387)
Recognition of employee entitlements	3	(10)	(55)	100	(45)	(5)	(10)	(10)
Total Pro Forma Adjustments		**(1,067)**	**(1,111)**	**(956)**	**(574)**	**(533)**	**(1,067)**	**(1,067)**
Pro Forma EBITDA (excl. Significant items)		**1,675**	**3,152**	**2,695**	**1,430**	**1,300**	**2,869**	**4,557**

Table 5.6: Pro Forma Adjustments to Statutory Historical and Statutory Forecast Net Profit – Group

A$'000	Notes	FY22A	FY23A	FY24A	1H FY24A	1H FY25A	FY25AF	FY26F
Statutory Net Profit		**1,986**	**3,218**	**2,741**	**1,569**	**1,119**	**2,604**	**4,080**
MD and CFO remuneration	1	(670)	(670)	(670)	(335)	(335)	(670)	(670)
Public company costs	2	(387)	(387)	(387)	(193)	(193)	(387)	(387)
Recognition of employee entitlements	3	(10)	(55)	100	(45)	(5)	(10)	(10)
Income tax expense	4	267	278	(717)	(430)	(400)	(800)	(800)
Total Pro Forma Adjustments		**(800)**	**(834)**	**(717)**	**(430)**	**(400)**	**(800)**	**(800)**
Pro Forma Net Profit		**1,186**	**2,384**	**2,024**	**1,139**	**719**	**1,804**	**3,280**

Pro Forma Adjustments have been made to the Statutory Historical Income Statements and Statutory Forecast Income Statements to reflect the full year impact of the operating and capital structure that will be in place following Settlement as if it were in place as at 1 July 2021. The adjustments are summarised below:

1. Adjustment to present a fully costed Managing Director and Chief Financial Officer structure appropriate for a business of this size and scale, aligned with future growth and acquisition aspirations.

2. Adjustment for public company costs to reflect an estimate of the incremental annual costs the Group will incur as a listed entity. These include listing fees, share registry fees, board fees, directors' and officers' insurance, audit fees, as well as investor relations and communications costs.

3. Prior to FY24A, StepChange did not recognise employee entitlements. This adjustment reflects the year-on-year movements in the recalculated annual leave and long service leave provisions.

4. Adjustment represents the pro forma impacts to the Statutory Historical Income Statements of the taxation expenses arising from the other proforma adjustments. An effective pro forma corporate income tax rate of 25% has been applied as Group turnover did not exceed $50m.

5.4 STATUTORY HISTORICAL STATEMENTS OF FINANCIAL POSITION AND AGGREGATED PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

5.4.1 Statutory Historical Statement of Financial Position – StepChange

Table 5.7: Statutory Historical Statement of Financial Position – StepChange

A$'000	Jun22A	Jun23A	Jun24A	Dec24A
Cash and cash equivalents	202	1,310	2,282	2,294
Trade and other receivables	4,644	5,098	2,897	2,910
Total current assets	**4,846**	**6,408**	**5,180**	**5,204**
Property, plant and equipment	6	29	17	16
Goodwill	292	292	292	292
Right of use asset	301	222	144	105
Deferred tax	(102)	(104)	158	104
Total non current assets	**496**	**439**	**610**	**516**
Total assets	**5,342**	**6,846**	**5,790**	**5,720**
Trade and other payables	(3,596)	(4,693)	(4,187)	(4,253)
Current lease liability	(70)	(70)	(77)	(87)
Provision for income tax	(70)	(135)	(120)	-
Total current liabilities	**(3,736)**	**(4,898)**	**(4,383)**	**(4,340)**
Non current lease liability	(233)	(158)	(75)	(30)
Total liabilities	**(3,969)**	**(5,056)**	**(4,458)**	**(4,370)**
Net assets	**1,372**	**1,791**	**1,332**	**1,351**
Share capital	300	300	300	300
Retained earnings	1,072	1,491	1,032	1,051
Total equity	**1,372**	**1,791**	**1,332**	**1,351**

5.4.2 Aggregated Pro Forma Historical Statement of Financial Position – Group

The Aggregated Pro Forma Historical Statement of Financial Position has been prepared to illustrate the effects of the Offer and the Acquisition as if they had occurred as at 31 December 2024.

Purchase price allocation

The Acquisition has been accounted for by including provisional assessments of the fair values of the assets, liabilities and contingent liabilities as at 31 December 2024. Under AASB 3 *Business Combinations* (**AASB 3**), the Company has up to 12 months from the date of acquisition during which retrospective adjustments can be made to the provisional acquisition accounting. While the Company has commenced the exercise to consider the fair value of intangible assets acquired, adjustments may occur when the Acquisition completes.

Accordingly, adjustments will impact the net asset position of the Group and could have an impact on future depreciation and amortisation charges in future financial periods and therefore impact net profit after tax.

A description of the nature of potential intangible assets which may be identified, and the acquisition accounting process is set out below.

In accordance with AASB 3, StepChange's identifiable assets, liabilities and contingent liabilities must be identified as at the acquisition date. The purchase price is then allocated across the fair value of these assets, liabilities and contingent liabilities with any residual value recognised as goodwill. As this is a provisional assessment the value of consideration transferred will need to be remeasured when the Acquisition completes.

The valuation of intangible assets is a complex process that may require specialist skills and detailed information about the business, which will become available following Settlement. In addition, each of the identified intangibles acquired may have a limited life and must be amortised over its useful life. Indefinite life intangibles and goodwill are not amortised and are reviewed for impairment annually. A detailed identification and valuation process will therefore be undertaken when the Acquisition completes. The examples provided below are not intended to be an exhaustive list of items acquired in a business combination that meet the definition of an intangible asset. However, they provide an indication of the types of intangibles that may be acquired as part of the Acquisition including:

- trade and/or brand names;
- software and technology; and
- customer contracts, relationships and databases.

Nil value has been attributed to potential carry forward tax losses for the purposes of the Pro Forma Historical Statement of Financial Position.

Table 5.8: Aggregated Pro Forma Historical Statement of Financial Position as at 31 December 2024 – Group

A$'000	StepChange Holdings	StepChange	Pro Forma Adjustments	Pro Forma Net Assets
Cash and cash equivalents	985	2,294	1,362	4,642
Trade and other receivables	0	2,910	-	2,910
Other current assets	-	-	-	-
Total current assets	**986**	**5,204**	**1,362**	**7,552**
Property, plant and equipment	2	16	-	18
Goodwill & identifiable intangible assets	-	292	22,749	23,040
Right of use assets	-	105	-	105
Deferred tax	-	104	296	401
Total non current assets	**2**	**516**	**23,045**	**23,563**
Total assets	**988**	**5,720**	**24,407**	**31,115**
Trade and other payables	(262)	(4,253)	-	(4,515)
Current lease liability	-	(87)	-	(87)
Tax liabilities	-	-	-	-
Deferred consideration liability	-	-	(5,700)	(5,700)
Employee provisions	(5)	-	(50)	(55)
Total current liabilities	**(267)**	**(4,340)**	**(5,750)**	**(10,357)**
Non current lease liability	-	(30)	-	(30)
Total liabilities	**(267)**	**(4,370)**	**(5,750)**	**(10,357)**
Net assets	**720**	**1,351**	**18,657**	**20,728**
Share capital	2,493	300	21,223	24,016
Retained earnings	(1,773)	1,051	(2,565)	(3,287)
Total equity	**720**	**1,351**	**18,657**	**20,728**

5.4.3 Aggregated Pro Forma Adjustments – Historical Statement of Financial Position

The following transactions and events contemplated in this Prospectus, referred to as the **Pro Forma Adjustments**, which are to take place on or before completion of the Offer and Settlement are presented as if they had occurred as at 31 December 2024, as set out below:

(i) The Company will seek to raise a minimum of $14.0 million (with the right to accept oversubscriptions of a further $1 million, for a maximum of $15.0 million) in cash by the way of an issue of Shares under the Offer. The Offer will be underwritten by the Lead Manager and Underwriter and is being undertaken so that the Group can be appropriately funded.

(ii) The acquisition of StepChange for $24.1 million. This consists of:

(A) the upfront consideration of $10.9 million in cash (comprising $10.8 million upfront consideration and $0.1 million in relation to the illustrative completion adjustment as if the Acquisition settled as at 31 December 2024) and $7.5 million payable by way of the issue of the Consideration Shares; and

(B) the maximum potential Earn-out Consideration payable to the Vendors under the Acquisition of up to $5.7 million. It has been assumed the Earn-out Consideration will be paid 25% in cash and 75% through the issue of Shares.

(iii) The elimination entries to recognise the goodwill and identifiable intangible assets associated with the Acquisition.

(iv) The elimination of existing goodwill and identifiable intangible assets for StepChange.

(v) Adjustment for the estimated transaction costs (i.e. cost of the Offer, legal fees, adviser fees).

(vi) Adjustment to recognise payment of the Second Milestone Payment (refer to Section 9.4.8).

(vii) Adjustment to recognise bonus payable to Mr Shane Bransby in the event the Group completes a future acquisition post-Listing. The adjustment reflects a provision recognised through retained earnings in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets, with no impact to cash.

(viii) Adjustment to recognise deferred tax assets created as a result of the recognition of the estimated transactions costs (refer to adjustment set out in Section 5.4.3(v)).

Table 5.9: Aggregated Pro Forma Adjustments to Statutory Historical Statements of Financial Position as at 31 December 2024 – Group

A$'000	Adj i	Adj ii	Adj iii	Adj iv	Adj v	Adj vi	Adj vii	Adj viii	PF. Adj
Cash	14,000	(10,900)	-	-	(1,238)	(500)	-	-	1,362
Trade receivables	-	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-	-
Total current assets	**14,000**	**(10,900)**	**-**	**-**	**(1,238)**	**(500)**	**-**	**-**	**1,362**
Property, plant and equipment	-	-	-	-	-	-	-	-	-
Goodwill (Existing)	-	-	-	-	-	-	-	-	-
Goodwill	-	-	23,040	(292)	-	-	-	-	22,749
Investment in subsidiaries	-	24,100	(24,100)	-	-	-	-	-	-
Software	-	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-	-	296	296
Total non current assets	**-**	**24,100**	**(1,059)**	**(292)**	**-**	**-**	**-**	**296**	**23,045**
Total assets	**14,000**	**13,200**	**(1,059)**	**(292)**	**(1,238)**	**(500)**	**-**	**296**	**24,407**
Trade payables	-	-	-	-	-	-	-	-	-
Current lease liability	-	-	-	-	-	-	-	-	-
Tax liabilities	-	-	-	-	-	-	-	-	-
Deferred consideration liability	-	(5,700)	-	-	-	-	-	-	(5,700)
Employee provisions	-	-	-	-	-	-	(50)	-	(50)
Shareholder current account	-	-	-	-	-	-	-	-	-
Total current liabilities	**-**	**(5,700)**	**-**	**-**	**-**	**-**	**(50)**	**-**	**(5,750)**
Non current lease liability	-	-	-	-	-	-	-	-	-
Total liabilities	**-**	**(5,700)**	**-**	**-**	**-**	**-**	**(50)**	**-**	**(5,750)**
Net assets	**14,000**	**7,500**	**(1,059)**	**(292)**	**(1,238)**	**(500)**	**(50)**	**296**	**18,657**
Share capital	14,000	7,500	(300)	-	(670)	500	-	193	21,223
Retained earnings	-	-	(759)	(292)	(568)	(1,000)	(50)	104	(2,565)
Reserves	-	-	-	-	-	-	-	-	-
Total equity	**14,000**	**7,500**	**(1,059)**	**(292)**	**(1,238)**	**(500)**	**(50)**	**296**	**18,657**

(a) Net cash/(debt)

Table 5.10: Aggregated Pro Forma Historical Net Cash / (Debt) as at 31 December 2024 – Group

A$'000	Note	StepChange Holdings	StepChange	Pro Forma Adjustments	Pro Forma Net Cash / (Debt)
Cash and cash equivalents	1	985	2,294	1,362	4,642
Lease liabilities	2	-	(117)	-	(117)
Deferred consideration liability	3	-	-	(1,425)	(1,425)
Employee provisions	4	-	-	(50)	(50)
Net cash/(debt)		**985**	**2,177**	**(113)**	**3,050**

1. Cash and cash equivalents will increase by a net amount of c.$1.4 million as a result of the Offer less the Second Milestone Payments. Refer Section 9.4.8 for additional details.

2. Lease liabilities primarily relate to the premises occupied by StepChange in Perth. The property lease is accounted for under AASB 16 which results in the recognition of the present value of the liability for future lease payments being recorded on the statement of financial position.

3. Deferred consideration liabilities relate to the potential earn-outs to the Vendors associated with the Acquisition comprising up to $5.7 million. Up to 75% of the Earn-out Consideration is payable, at the election of the Company, through the issue of Shares, accordingly, it has been assumed the Earn-out Consideration will be paid 25% in cash and 75% through the issue of Shares.

4. Employee provisions relate to the potential acquisition bonus payable post listing to Mr Shane Bransby that remains unpaid as at 31 December 2024.

(b) Liquidity and capital resources

Following completion of the Offer and Settlement, the Group's principal sources of funds are expected to be cash flows from operations and cash held at Settlement.

The Group's main use of cash is to fund payment of the Earn-out Consideration, growth initiatives and working capital. The Company expects that it will have sufficient cash from the Offer and cash flows from operations to meet its operational business requirements for at least 12 months following Settlement.

The Company may look to supplement its cash flows from operations and cash held at completion of the Offer and Settlement through a debt facility, for expansion purposes, including for potential acquisitions.

(c) Contractual obligations and commitments

Table 5.11: Contractual obligations and other commitments – Group

A$'000	Note	< 1 Year	1-5 years	> 5 Years	Total
StepChange		(87)	(30)	-	(117)
Total leases commitments under AASB 16 *Leases*	**1**	**(87)**	**(30)**	**-**	**(117)**
StepChange		(5,700)	-	-	(5,700)
Total deferred consideration liability	**2**	**(5,700)**	**-**	**-**	**(5,700)**
Total contractual obligations		**(5,787)**	**(30)**	**-**	**(5,817)**

1. Property lease liabilities relating to AASB 16. The property has c.1.5 years remaining on lease and does not contain an option to renew.
2. The deferred consideration liability represents the maximum amount the Company will be liable to pay. The Earn-out Consideration will only be payable if the Key Employees have remained employed by the Company and the StepChange's EBITDA for FY26 meets or exceeds amounts agreed with the Vendors. The Company may elect to satisfy up to 75% of the Earn-out Consideration payable to the Vendors by way of an issue of Shares rather than a cash payment.

(d) Off balance sheet items

The Group has no material contingent liabilities or off-balance sheet arrangements.

(e) Pro Forma Historical Cash Reconciliation

Table 5.12: Pro Forma Historical Cash Reconciliation – 31 December 2024

A$'000	
Statutory cash and cash equivalents	**3,280**
Capital raising at IPO	14,000
Payments to vendors	(10,900)
Estimated transaction costs	(1,238)
Deal origination consideration paid	(500)
Pro forma cash balance	**4,642**

(f) Pro Forma Historical Share Capital Reconciliation

Table 5.13: Pro Forma Historical Share Capital Reconciliation – 31 December 2024

A$'000	
Statutory share capital	**2,793**
Capital raising at IPO	14,000
Payments to vendors	7,500
StepChange elimination	(300)
Capital raise fees	(670)
Deal origination	500
Recognise deferred tax assets	193
Pro forma share capital	**24,016**

(g) Pro Forma Historical Goodwill Reconciliation

Table 5.14: Pro Forma Historical Goodwill Reconciliation – 31 December 2024

A$'000	
Statutory goodwill and identifiable intangible assets	**292**
StepChange goodwill elimination	23,040
StepChange intangibles elimination	(292)
Pro forma goodwill and identifiable intangible assets	**23,040**

5.5 STATUTORY HISTORICAL CASH FLOWS, AGGREGATED PRO FORMA HISTORICAL CASH FLOWS, STATUTORY FORECAST CASH FLOWS AND PRO FORMA FORECAST CASH FLOWS

5.5.1 Statutory Historical Cash Flows and Statutory Forecast Cash Flows – StepChange

Table 5.15: Statutory Historical and Statutory Forecast Cash Flows – StepChange

	Statutory Historical					Statutory Forecast	
A$'000	**FY22A**	**FY23A**	**FY24A**	**1H FY24A**	**1H FY25A**	**FY25AF**	**FY26F**
Cash flows from operating activities							
Receipts from customers	25,546	39,820	44,970	23,376	20,387	42,272	47,015
Payments to suppliers and employees	(22,972)	(34,951)	(39,618)	(21,237)	(18,702)	(38,503)	(41,279)
Tax paid	(501)	(857)	(1,095)	(222)	(537)	(1,119)	(1,397)
Net cash from operating activities	**2,073**	**4,012**	**4,256**	**1,917**	**1,148**	**2,650**	**4,339**
Cash flows from investing activities							
Additions to PP&E and Intangibles	(17)	(29)	(7)	(7)	(2)	(18)	(17)
Net cash from investing activities	**(17)**	**(29)**	**(7)**	**(7)**	**(2)**	**(18)**	**(17)**
Cash flows from financing activities							
Repayment of lease liabilities	(49)	(75)	(76)	(33)	(34)	(88)	(65)
Payments for dividends	(2,827)	(2,800)	(3,200)	(900)	(1,100)	(2,800)	-
Net cash from financing activities	**(2,876)**	**(2,875)**	**(3,276)**	**(933)**	**(1,134)**	**(2,888)**	**(65)**
Net increase/ (decrease) in cash	**(820)**	**1,108**	**972**	**977**	**12**	**(256)**	**4,257**
Cash at beginning of the period	1,022	202	1,310	1,310	2,282	2,282	2,026
Cash at end of the period	**202**	**1,310**	**2,282**	**2,287**	**2,294**	**2,026**	**6,283**

5.5.2 Aggregated Pro Forma Historical and Pro Forma Forecast Cash Flows

Table 5.16: Aggregated Pro Forma Historical and Pro Forma Forecast Cash Flows – Group

	Pro Forma Historical					Pro Forma Forecast	
A$'000	**FY22A**	**FY23A**	**FY24A**	**1H FY24A**	**1H FY25A**	**FY25AF**	**FY26F**
Cash flows from operating activities							
Receipts from customers	25,546	39,820	44,970	23,376	20,387	42,272	47,015
Payments to suppliers and employees	(24,039)	(36,062)	(40,575)	(21,811)	(20,108)	(40,442)	(42,346)
Tax paid	(234)	(579)	(856)	(78)	(404)	(852)	(1,130)
Net cash from operating activities	**1,273**	**3,179**	**3,539**	**1,487**	**(124)**	**978**	**3,539**
Cash flows from investing activities							
Acquisition of StepChange	-	-	-	-	(10,900)	(10,900)	-
Additions to PP&E and Intangibles	(17)	(29)	(7)	(7)	(4)	(20)	(17)
Net cash from investing activities	**(17)**	**(29)**	**(7)**	**(7)**	**(10,904)**	**(10,920)**	**(17)**
Cash flows from financing activities							
Payments for dividends	(2,827)	(2,800)	(3,200)	(900)	(1,100)	(2,800)	-
Issuance of share capital	-	-	-	-	3,160	3,160	-
Shares buyback	-	-	-	-	(1,300)	(1,300)	-
Repayment of lease liabilities	(49)	(75)	(76)	(33)	(34)	(88)	(65)
Transaction fees	-	-	-	-	(1,238)	(1,238)	-
Capital contribution	-	-	-	-	13,500	13,500	-
Net cash from financing activities	**(2,876)**	**(2,875)**	**(3,276)**	**(933)**	**(12,987)**	**11,234**	**(65)**
Net increase/ (decrease) in cash	**(1,620)**	**275**	**255**	**547**	**1,959**	**1,291**	**3,457**

5.5.3 Pro Forma Adjustments to the Statutory Historical and Forecast Cash Flows

The Pro Forma Adjustments which are to take place on or before completion of the Offer and the Acquisition are presented as if they had occurred as at 31 December 2024, as set out below:

Table 5.17: Pro Forma Adjustments to Statutory Cash Flows – Group

A$'000	Note	FY22A	FY23A	FY24A	1H FY24A	1H FY25A	FY25AF	FY26F
Statutory net increase/(decrease) in cash		**(820)**	**1,108**	**972**	**977**	**997**	**729**	**4,257**
Incremental public company costs	1	(1,067)	(1,111)	(956)	(574)	(533)	(1,067)	(1,067)
Tax impact of public company costs	2	267	278	239	143	133	267	267
Acquisition of StepChange	3	-	-	-	-	(10,900)	(10,900)	-
Transaction fees	4	-	-	-	-	(1,238)	(1,238)	-
Capital contribution	5	-	-	-	-	13,500	13,500	-
Pro forma net increase/(decrease) in cash		**(1,620)**	**275**	**255**	**547**	**1,959**	**1,291**	**3,457**

The Pro Forma Adjustments which are to take place on or before completion of the Offer and the Acquisition are presented as if they had occurred as at 31 December 2024, as set out below:

1. Cash outflow related to the Pro Forma Adjustments made to the Statutory Historical Income Statements.
2. Taxation expense arising from the other Pro Forma Adjustments made to the Statutory Historical Income Statements. An effective pro forma corporate income tax rate of 25% has been applied.
3. Cash outflow for the Acquisition.
4. Cash outflow relating to the estimated transaction costs (i.e. costs of the Offer, legal fees, adviser fees).
5. Cash inflow of estimated proceeds of the Offer less Second Milestone Payments.

5.6 ASSUMPTIONS UNDERLYING THE FORECAST FINANCIAL INFORMATION

As discussed in Section 5.2.5, the Forecast Financial Information represents the 18-month period to 30 June 2026 (**Forecast Period**). The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information for FY25AF include the actual results of StepChange for 1H FY25A and the forecast results for 2H FY25F.

The Forecast Financial Information is based on various general and specific assumptions, including those set out in Sections 5.6.1 and 5.6.2. The Directors believe they have prepared the Forecast Financial Information with due care and attention and consider all assumptions, when taken as a whole, to be reasonable at the date of this Prospectus. However, actual results are likely to vary from those forecasts and any variation may be materially positive or negative.

The assumptions on which the Forecast Financial Information is based are, by their nature, subject to significant uncertainties and contingencies, many of which are outside the control of the Group, the Directors and management, and are not reliably predictable. Accordingly, none of the Group, the Directors and management or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 5.8, the risk factors set out in Section 7 and the Investigating Accountant's Report set out in Section 6.

5.6.1 General assumptions

In preparing the Forecast Financial Information, the following general Directors' best estimate assumptions have been adopted:

- no material changes in the competitive operating environment in which StepChange operates;
- no significant deviation from current market expectations in the geographies in which the Company operates and the economic conditions relevant to StepChange;
- no material changes in any government legislation or regulation (including tax legislation), or government policy that has a material impact on financial performance or cash flows, financial position, accounting policies, or licensing requirements of StepChange;
- no material changes in key personnel and StepChange maintains its ability to recruit and retain the personnel required to support future growth;
- no material changes in applicable AASB or other mandatory professional reporting requirements which have a material effect on StepChange's financial performance, financial position, accounting policies, financial reporting or disclosures during the 6 months to 30 June 2025 and 12 months to 30 June 2026;
- no material industry disturbances, environmental costs, contingent liabilities or legal claims will arise or be settled to the detriment of StepChange;
- no material acquisitions, divestments, restructuring or investments other than as set out in, or contemplated by, this Prospectus;
- no material changes to StepChange corporate or funding structure other than as set out in, or contemplated by, this Prospectus;
- no material disruptions to the continuity of operations of StepChange nor other material changes in its business activities;
- no material amendment to or termination of any material agreement, contract or arrangement other than as set out in, or contemplated by, this Prospectus;
- if the risks set out in Section 7 eventuate, or even if they do, none of them has a material adverse impact on the operations of StepChange; and
- the IPO process concludes, and the proceeds of the Offer are received in accordance with the timetable set out in the Important Dates section of this Prospectus.

5.6.2 Specific assumptions

The Forecast Financial Information is based on various best estimate assumptions for the 6 months to 30 June 2025 and 12 months to 30 June 2026. The Forecast Financial Information has been prepared with consideration to the actual audited trading performance of StepChange through to 31 December 2024. The key specific assumptions are set out below and should be read in conjunction with the sensitivity analysis set out in Section 5.8, the risk factors set out in Section 7, the significant accounting policies set out in Section 5.10 and other information contained in this Prospectus. The Investigating Accountant's Report on the Historical Financial Information and Forecast Financial Information set out in Section 6 also covers the Forecast Financial Information as set out in this Section 5.

Key forecast assumptions	2H FY25F	FY26F
Revenue	Monthly forecast revenue is prepared for each contractor and customer based on daily charge out rates multiplied by the number of working days per month. The number of customers is based on management expectations and underpinned by contracts.	The revenue forecast also includes expected uplift from rate card increases, new domestic customer wins (being pipeline opportunities where StepChange is already in active discussions or advanced stages of engagement), and the provision of services into the US market under the Woodside Global Agreement.
Cost of sales	Cost of sales primarily consists of contractors, insurance, salaries for professional staff and payroll tax. Direct employment costs have been prepared for each contractor and customer based on their daily rates (plus on-costs) multiplied by the number of working days per month, respectively. Insurance costs have been accrued in line with 1H FY25A.	Cost of sales forecast includes impact of cost savings initiatives to be implemented post IPO. StepChange proposes to convert c.20 contractors to full time employees in July 2025.
Employee expenses	Employee expenses have been forecast by staff member and their respective employment agreements. Other employee expenses (like training and amenities) have been accrued in line with 1H FY25A.	Monthly employee expenses have been escalated in line with inflation of 3% from 2H FY25F offset by changes to agreements with various staff members (i.e. reduction in general manager working days).
General and admin expenses	General and admin expenses have been accrued in line with 1H FY25A.	General and admin expenses have been forecast on a monthly basis in line with 2H FY25F plus inflation of 3%.
Sales and marketing expense	Sales and marketing expenses have been forecast to be in line with FY24A on an annual basis.	Sales and marketing expenses have been forecast on a monthly basis in line with 2H FY25F plus inflation of 3%.

5.7 MANAGEMENT DISCUSSION AND ANALYSIS OF THE PRO FORMA HISTORICAL FINANCIAL INFORMATION AND FORECAST FINANCIAL INFORMATION

A discussion of the key factors that affected the Group's operations and relative financial performance during the period of the Historical Financial Information, as well as expected operating and financial performance over the period of the Forecast Financial Information, is set out in this Section 5.7.

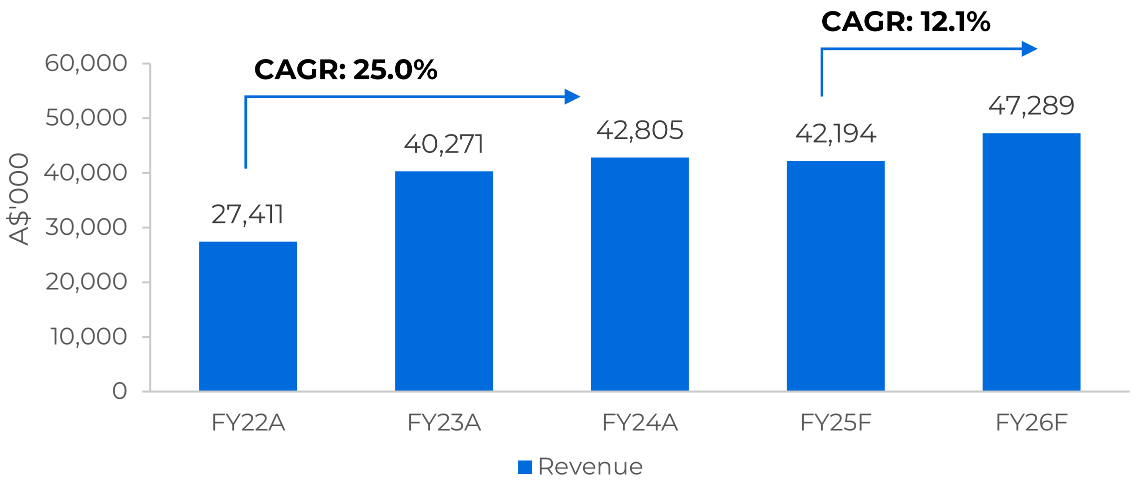
The discussion of these general factors is intended to provide a summary only and does not detail all factors that had an impact on the historical operating and financial performance of the Group, nor everything which may impact the Group's operations and financial performance in the future. Unless otherwise stated, all metrics and financial information presented in this section, and the related commentary, is on a pro forma basis. The assumptions set out below should be read in conjunction with the general and specific assumptions in Sections 5.6.1 and 5.6.2, sensitivity analysis set out in Section 5.8 and the risk factors set out in Section 7.

Table 5.18: Key financial metrics –Group

	Pro Forma Historical					Pro Forma Forecast	
%	**FY22A**	**FY23A**	**FY24A**	**1H FY24A**	**1H FY25A**	**FY25AF**	**FY26F**
Revenue growth	n/a	46.9%	6.3%	n/a	(10.1%)	(1.4%)	12.1%
Gross profit growth	n/a	42.2%	4.6%	n/a	(14.2%)	(1.0%)	30.4%
EBITDA (excl. Significant items) growth	n/a	88.1%	(14.5%)	n/a	(9.1%)	(3.9%)	58.9%
Gross profit margin	14.2%	13.8%	13.5%	13.7%	13.1%	13.2%	15.4%
EBITDA (excl. Significant items) margin	6.1%	7.8%	6.3%	6.3%	6.4%	6.8%	9.6%

5.7.1 Revenue

Figure 5.1: Pro Forma Historical Revenue ($000) and Revenue CAGR (%)



Revenue increased at a CAGR of 25.0% from $27.4 million in FY22A to $42.8 million in FY24A. Growth over this period was driven by:

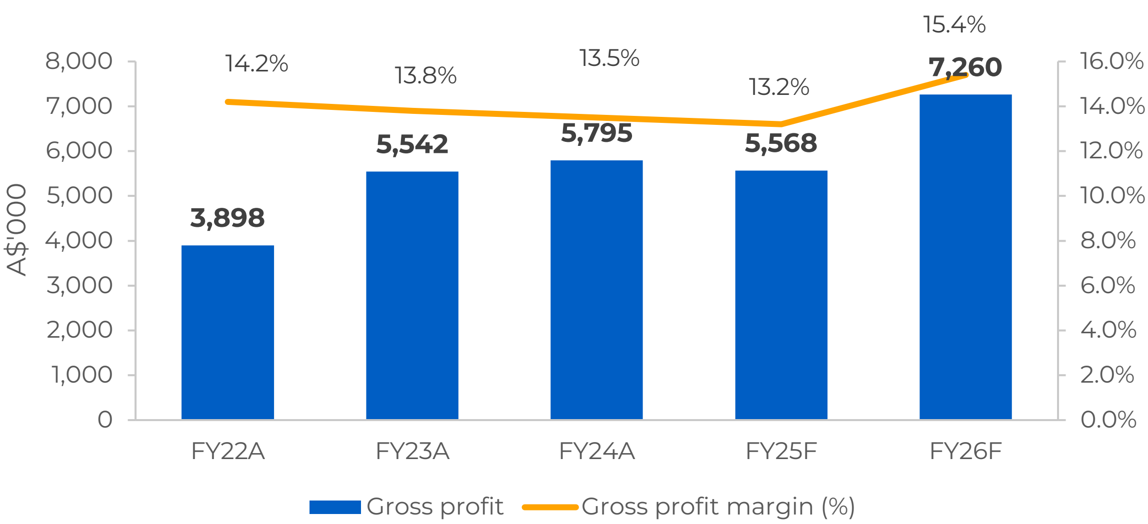
- several large implementation projects commencing with StepChange's largest customer, partially driven by the acquisition of significant energy assets by that customer in late FY22A from another of StepChange's customers; and
- increased revenue from a range of existing customers as additional projects began and key new stages of existing projects commenced.

Revenue is forecast to marginally decrease from $42.8 million in FY24A to $42.2 million in FY25AF, however, it is expected to increase to $47.3 million in FY26F due to potential uplift from rate card increases, new domestic customer wins (being pipeline opportunities where StepChange is already in active discussions or advanced stages of engagement), and the provision of services into the US market under the Woodside Global Agreement.

5.7.2 Cost of sales and gross profit

Cost of sales comprises the wages and on-costs of the Group's billable consultants (both permanent employees and contractors), together with the cost of subscriptions/licences sold to customers.

Figure 5.2: Pro Forma Historical Gross Profit ($000) and Gross Profit Margin (%)



Gross profit grew at a CAGR of 21.9% from $3.9 million in FY22A to $5.8 million in FY24A, materially in line with the Group's revenue growth.

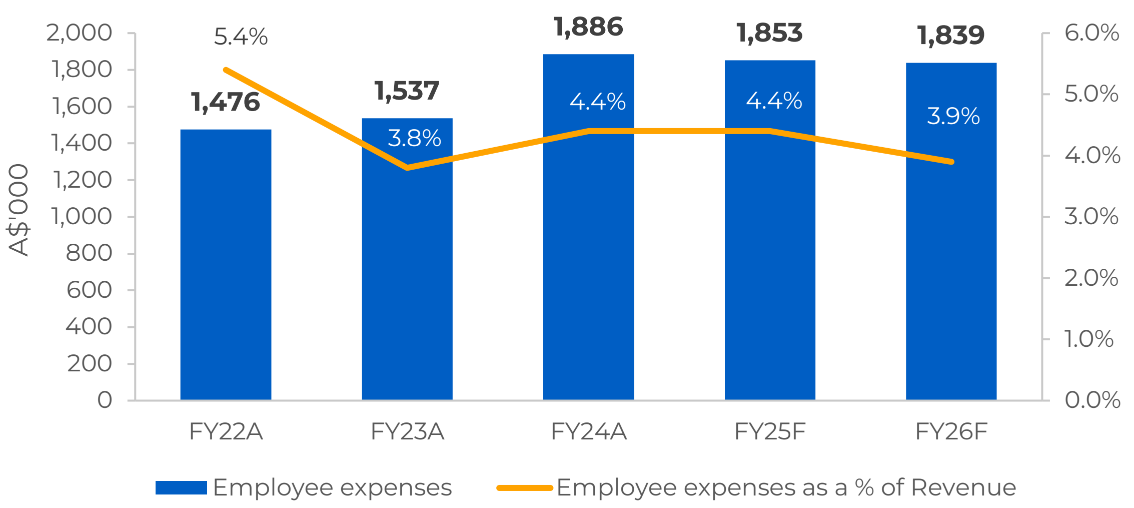
Gross profit margins decreased from 14.2% in FY22A to 13.5% in FY24A driven by a lag in re-pricing for a number of key contracts and labour cost pressures impacting the industry following the COVID-19 pandemic.

While gross profit margins are forecast to decrease further to 13.2% in FY25AF, StepChange is planning to convert c.20 contractors to full time employees in July 2025. Gross profit margins are forecast to increase to 15.4% in FY26F as monthly cost savings of c.$3k per contractor are expected as a result of this initiative.

5.7.3 Employee expenses

Employee expenses comprise the wages and on-costs of non-billable employees.

Figure 5.3: Pro Forma Historical Employee Expenses ($000) and as a % of Revenue



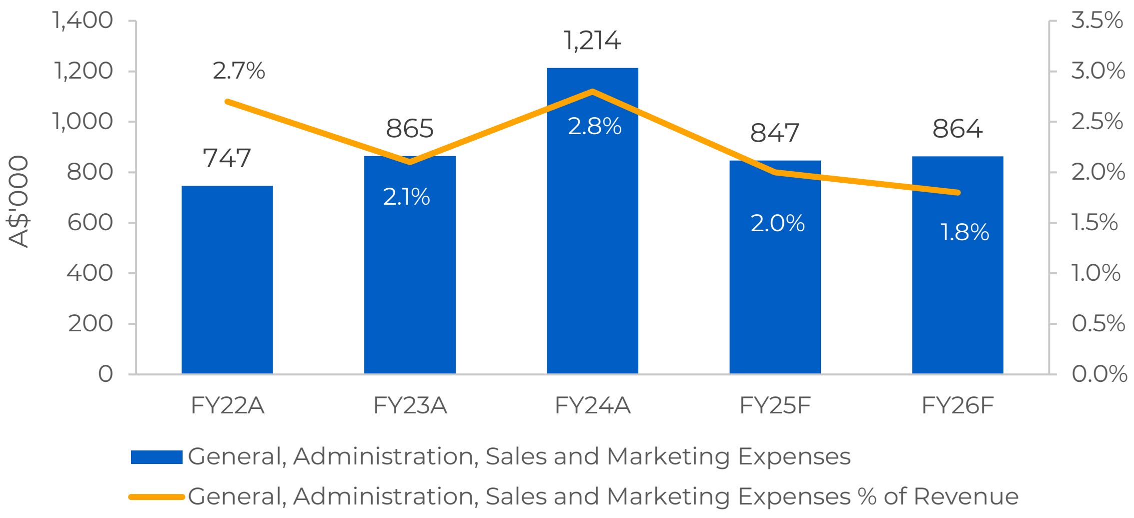
Employee costs grew at a CAGR of 13.0% from $1.4 million in FY22A to $1.9 million in FY24A. This resulted from StepChange investing in non-billable employees to drive future growth and support business expansion, with hires including a general manager, practice lead, and additional finance personnel.

Employee costs are forecast to remain largely consistent in FY25AF and FY26F, with wage increases offset by an agreed reduction in the general manager's role from 5 days to 2 days a week, reflecting the new Group structure post IPO.

5.7.4 General, administration, sales and marketing expenses

These expenses include professional services, utilities, marketing, insurance and the costs of operating as a company

Figure 5.4: Pro Forma Historical General, Administration, Sales and Marketing Expenses as a % of Revenue



These expenses fluctuated between 2.1% and 2.8% over the Historical Period and are forecast to remain constant at c.2.0% in the Forecast Period.

5.6.5 Depreciation and amortisation

Depreciation and amortisation increased from $0.07 million in FY22A to $0.08 million in FY23A and $0.1 million in FY24A.

Depreciation includes plant and equipment, leasehold improvements and the right-of-use assets relating to the Group's office leases.

5.8 SENSITIVITY ANALYSIS OF THE PRO FORMA FORECAST FINANCIAL INFORMATION

The Pro Forma Forecast Financial Information is based on a number of specific and general assumptions, as described in Sections 5.6.1 and 5.6.2. These specific and general assumptions are subject to business, economic and competitive uncertainties, and contingencies, many of which are beyond the control of the Group, the Directors and management, and upon assumptions with respect to future business decisions, which are subject to change.

To assist potential investors in assessing the impact of key variables on the performance of the Group, set out in Table 5.19 below is a summary of the sensitivity of the Pro Forma Forecast Financial Information to changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely impact on the Pro Forma Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions and assumes a full period impact. In practice, changes in assumptions may offset each other or be additive, and it is likely that the Group's management would respond to an adverse change in one item to seek to minimise the net effect on the Group's earnings and cash flow.

Table 5.19: Sensitivity analysis on StepChange Pro Forma Forecast Financial Information

	StepChange Forecast Sensitivities					
A$'000	**FY25AF**			**FY26F**		
	Impact on Line item	**Impact on EBITDA**	**Impact on NPAT**	**Impact on Line item**	**Impact on EBITDA**	**Impact on NPAT**
Revenue +10%	2,176	289	217	4,729	726	545
Revenue -10%	(2,176)	(289)	(217)	(4,729)	(726)	(545)
Gross margin +1% margin	218	218	163	473	473	355
Gross margin -1% margin	(218)	(218)	(163)	(473)	(473)	(355)
Overhead expenses +10%	(79)	(79)	59	(164)	(164)	123
Overhead expenses 110%	79	79	(59)	164	164	(123)

Notes:
1. *Revenue sensitivities are based on a +/- 10% change in total revenue and estimated related changes in direct employees required.*
2. *Gross margin sensitivities are based on a +/- 1% change in gross margin %.*
3. *Overhead sensitivities are based on a +/- 10% change in total overhead expenses.*

5.9 DIVIDEND POLICY

There is no intention for the Company to pay a dividend in respect of FY26F.

The payment of a dividend by the Company is at the discretion of the Board and will be a function of a number of factors, including the Company's operating results, cash flows, future funding requirements, capital management initiatives, availability of franking credits and any other factors the Directors may consider relevant.

5.10 ACCOUNTING POLICY INFORMATION

Set out below are the significant accounting policies as they relate to StepChange and which form the basis for the preparation of the Financial Information.

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to StepChange and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, customer returns and other sales taxes or duty.

For performance obligations where any one of the above conditions are not met, revenue is recognised at a point in time at which the performance obligation is satisfied. StepChange is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and discounts. Revenue is recognised in the profit or loss when significant risk and reward of ownership have been transferred to the customer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and amount of revenue can be measured reliably.

(b) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transactions, affects neither the accounting nor taxable profits.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when:

- it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within 12 months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is either expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period;
- or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also include bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(e) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The simplified approach has been applied to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

(f) Trade and other payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(g) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(h) Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(i) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(j) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(k) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(l) Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(m) Provisions

Provisions are recognised when StepChange has a present (legal or constructive) obligation as a result of a past event, it is probable StepChange will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(n) Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line or diminishing value basis, as appropriate to the type of asset, to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

- Leasehold improvements: 3 to 10 years
- Plant and equipment: 2 to 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to StepChange. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(o) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where StepChange expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(p) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, StepChange's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option; and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(q) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Dividends

Dividends are recognised when declared during the financial year. Refer to Section 5.9 for details of the Company's proposed dividend policy.

(s) Goods and services tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Dividends are recognised when declared during the financial year and are no longer at the discretion of StepChange. Refer to Section 5.9 for details of the Company's proposed dividend policy.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(t) Foreign currency translation

The financial information is presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars at the average exchange rate for the financial year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rate for the financial year, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(u) Going concern

The financial information has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business, and assumes the Group will have sufficient cash resources to honour its obligations as and when they become due and payable for at least 12 months from the date of this Prospectus.

(v) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Group and its wholly owned subsidiaries as if it existed at 31 December 2024.

Subsidiaries are all those entities over which the parent entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

6. Investigating Accountant’s Report

McGrathNicol

McGrathNicol Transaction Advisory Pty Limited
ATF McGrathNicol Transaction Advisory Trust
ABN 47 456 678 565
AFSL 436347
Level 12, 44 Martin Place
Sydney NSW 2000, Australia
GPO Box 9986
Sydney NSW 2001, Australia
T +61 2 9338 2600
F +61 2 9338 2699
mcgrathnicol.com

16 May 2025

The Directors
StepChange Consultants Pty Ltd
Level 7, 182-184 St George Terrace
Perth, WA, 6000

The Directors
StepChange Holdings Ltd
Level 6, 580 Hay Street
Perth, WA, 6000

Dear Directors,

Investigating Accountant's Report and Financial Services Guide

Introduction

We have been engaged by the Directors of StepChange Holdings Limited (**the Company**) in connection with the proposed acquisition of StepChange Consultants Pty Ltd (**StepChange)** (together the **Group**).

Expressions and terms defined in the Prospectus have the same meaning in this Report, unless otherwise specified.

This Investigating Accountant's Report (**Report**) has been prepared as part of the Company's Prospectus (**Prospectus**) in relation to the Group's Financial Information as defined in Section 5.

McGrathNicol Transaction Advisory Pty Ltd (**McGrathNicol Transaction Advisory**) holds an Australian Financial Services License (**AFSL**) number 436347 under the *Corporations Act 2001* (**Corporations Act**).

Scope

McGrathNicol Transaction Advisory has been engaged by the Directors of the Company to review the Group's Financial Information as follows:

Statutory Historical Financial Information

The Statutory Historical Financial Information comprises:

- The historical statement of profit and loss for the years ended 30 June 2022, 30 June 2023 and 30 June 2024 and half years ended 31 December 2023 and 31 December 2024 for StepChange;
- The historical statement of financial position as at 30 June 2022, 30 June 2023, 30 June 2024 and 31 December 2024 for StepChange; and
- The historical statement of cash flows for the years ended 30 June 2022, 30 June 2023 and 30 June 2024 and half years ended 31 December 2023 and 31 December 2024 for StepChange,

(collectively **Statutory Historical Financial Information**)

The Statutory Historical Financial Information has been derived from the audited financial statements of StepChange for the years ended 30 June 2022, 30 June 2023 and 30 June 2024 and half year ended 31 December 2024.

The statutory historical financial statements for StepChange for the years ended 30 June 2022, 30 June 2023 and 30 June 2024 and half years ended 31 December 2023 and 31 December 2024 were audited by Elderton Audit Pty Ltd in accordance with the Corporations Act 2001, as stated in their Independent Audit Reports (refer Section 5). The audit opinions relating to the financial statements were unqualified.

The statutory historical financial statements for StepChange are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act.

Statutory Forecast Financial Information

The Statutory Historical Financial Information comprises:

- The forecast statement of profit and loss for the years ending 30 June 2025 and 30 June 2026 for StepChange; and
- The forecast statement of cash flows for the years ending 30 June 2025 and 30 June 2026 for StepChange,

(collectively **Statutory Forecast Financial Information**)

The Statutory Forecast Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS and the company's adopted accounting policies set out in Section 5.10 of the Prospectus.

The directors' best-estimate assumptions underlying the Statutory Forecast Financial Information are described in Section 5.6 of the Prospectus. Due to its nature, the Statutory Forecast Financial Information does not represent the Group's actual prospective comprehensive income and cash flows for the years ending 30 June 2025 and 30 June 2026.

Pro Forma Historical and Forecast Financial Information

The Pro Forma Historical Financial Information comprises:

- The pro forma historical and forecast statement of profit and loss for the Group for the years ended 30 June 2022, 30 June 2023, 30 June 2024, 30 June 2025 and 30 June 2026 and half years ended 31 December 2023, 31 December 2024 and 30 June 2025;
- Pro forma historical consolidated statement of financial position for the Group as at 31 December 2024; and
- Pro forma historical and forecast consolidated statement of cash flows for the Group for the years ended 30 June 2022, 30 June 2023, 30 June 2024, 30 June 2025 and 30 June 2026 and half years ended 31 December 2023, 31 December 2024 and 30 June 2025,

(collectively, **Pro Forma Historical and Forecast Financial Information**)

The Pro Forma Historical Financial Information has been derived from the statutory historical financial statements for both StepChange after adjusting for the effects of the pro forma adjustments described in Sections 5.3(e), 5.4(c) and 5.5(c) of the Prospectus. The stated basis for preparation is the recognition of and measurement of principles contained in AAS applied to the statutory historical financial statements and the events or transactions as if they had occurred as at 31 December 2024.

Due to its nature, the Pro Forma Historical Financial information does not represent the Group's actual or prospective financial position, financial performance, and cash flows.

Directors' Responsibility

The Directors of StepChange are responsible for the preparation of the Statutory Historical Financial Statements and the Pro Forma Historical Financial Information, including the selection and inclusion of pro forma adjustments made to the Statutory Historical Financial Information.

This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of the Statutory Historical Financial Statements to be free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and Pro Forma Historical Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review 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 reasonable 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.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the Statutory Historical Financial Information or the Pro Forma Historical Financial Information.

Conclusions

<u>Statutory Historical Financial Information</u>

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe the Statutory Historical Financial Information, as described in Section 5 of the Prospectus, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2(c) of the Prospectus.

<u>Statutory Forecast Financial Information</u>

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe the Statutory Forecast Financial Information, as described in Section 5 of the Prospectus, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2(c) of the Prospectus.

<u>Pro Forma Historical and Forecast Financial Information</u>

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe the Pro Forma Historical and Forecast Financial Information, as described in Section 5 of the Prospectus, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2(c) of the Prospectus.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 5.1 of the Prospectus, which describes the purpose of the Statutory Historical Financial Information and Pro Forma Historical Financial Information being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

McGrathNicol Transaction Advisory has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is included.

Liability

We disclaim any assumption of responsibility for any reliance on the Report or on the Statutory Historical Financial Information and the Pro Forma Historical Financial Information to which this Report relates for any purposes other than the purpose for which it was prepared. This Report should be read in conjunction with the Prospectus as a whole.

Declaration of Interest

McGrathNicol Transaction Advisory does not have any interest in the outcome of this transaction other than in the preparation of this Report and participation in the review procedures for which normal professional fees will be received.

Yours faithfully,

MCGRATHNICOL TRANSACTION ADVISORY PTY LTD

Andrew Fressl
Director

David Barnaby
Director

Financial services guide

Purpose of this guide

This Financial Services Guide (**FSG**) provides you with important information to assist you in deciding how to use our Report. It provides you with information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

We act on behalf of StepChange Holdings Limited, to whom this report is addressed.; Where you are not the addressee we are required to issue you this FSG under the Corporations Act and the terms of our Australian Financial Services Licence (**AFSL**) as a result of our client providing you with a copy of our Report.

Financial services we are authorised to provide

We are authorised to provide general financial product advice in relation to securities, and to arrange for another person to issue, apply for, acquire, vary or dispose of securities to retail and wholesale clients.

General financial product advice

Our Report provides general financial product advice only. In preparing this Report, we have not taken into account your personal circumstances including financial situation or needs. You should consider whether any advice contained in our Report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

We provide no financial services directly to retail clients and receive no remuneration from retail clients for financial services. We do not provide any personal retail financial product advice to retail investors nor do we provide market-related advice to retail investors. You were provided with a copy of our Report because of your connection to the matters in respect of which we have been engaged to report.

Remuneration for our services

Our fees have been agreed with our client on a fixed fee or a time cost basis, and we may also be reimbursed for our out of pocket expenses. We will not receive any other commission, fee or benefit in connection with the provision of the Report.

The remuneration provided to our directors, authorised representatives and the partners, officers and employees of our associated entities is based on their overall performance and contribution over the course of a financial year. No commissions are paid in respect of the provision of financial product advice.

Associations and relationships

McGrathNicol is a group of independent entities operating in association. We and our associated entities do not have any formal associations or relationships with any entities that are issuers of financial products but may provide professional services to issuers of financial products in the ordinary course of business.

Complaints process

If you have any concerns regarding our Report, please let us know. If you wish to lodge a formal complaint, you may do so in writing to: The Risk and Professional Practice Partner, McGrathNicol, GPO Box 9986, Sydney NSW 2000 or www.mcgrathnicol.com/contact/. We will respond to your complaint promptly.

If you are not satisfied with our response or the steps we have taken to resolve your complaint, you may contact the Australian Financial Complaints Authority (**AFCA**). AFCA provides free advice and assistance to consumers to

assist them to resolve complaints relating to the financial services industry. AFCA can be contacted on 1800 931 678 or GPO Box 3, Melbourne VIC 3001, or info@afca.org.au. Further details may be obtained from www.afca.org.au.

Compensation arrangements

We hold professional indemnity insurance that covers the services we provide. This insurance is as required by section 912B of the Corporations Act 2001 (Cth).

McGrathNicol Transaction Advisory Pty Ltd, AFSL 436347 of Level 12, 44 Martin Place, Sydney, NSW 2000.

7. Risk Factors

7. Risk Factors

7.1 INTRODUCTION

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free, and the Board strongly recommends potential investors consider the risk factors described in this Section 7, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares, and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Business. In addition, there are other general risks which are largely beyond the control of the Company and the Directors. The risks identified in this Section 7, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The list of risks contained in this Section 7 is not intended to be an exhaustive list of the risk factors to which the Company is or may be exposed.

7.2 COMPANY-SPECIFIC RISK FACTORS

7.2.1 Failure to effectively attract new clients

The Business depends on the ability to attract further business from existing clients and to gain new clients. The Group operates in a competitive industry and its ability to attract new clients is particularly dependent on the continued successful rollout of its service offerings. There is a risk that the Group will not be able to attract new clients or attract new clients at the rate, over the time frames or on the terms (including as to pricing and costs) it currently expects or has experienced historically.

There are a number of reasons why the Group may not be able to attract new clients, including where potential new clients select alternative providers following competitive tender processes.

The ability to attract new clients will be dependent on many factors including the capability, cost-effectiveness, pricing, suitability of offering and quality of the Group's services, and the marketing strategies implemented by the Group.

If the Group is unable to attract new clients or attract new clients at the rate, over the time frames or on the terms (including as to pricing and costs) it currently expects (and is not able to offset this with additional revenue from existing clients), this may have a material adverse impact of the financial performance of the Group.

7.2.2 Failure to effectively retain existing clients

The Group is dependent on its ability to retain existing clients in order to generate revenue. There is a risk that it will not be able to retain existing clients when contract terms expire, or otherwise retain those clients to use the Group's service offerings.

If existing clients do not continue to engage the Group for services, terminate existing engagements or do not increase their use over time, the growth in the Group's revenue may slow or decline, which will have an adverse impact on the Group's operating and financial performance. In particular, some of the Group's existing engagements may be terminated on short notice or for convenience, including the engagements summarised in Section 9.3 of this Prospectus.

If the Group is unable to retain existing clients, or maintain the level of services engaged by those existing clients at all, or on the terms or over the time frames it expects or consistent with historical experience, this may have a material adverse impact on the financial performance of the Group.

7.2.3 Decline in key client sectors or economic conditions

As mentioned in this Prospectus, the Company offers services to a number of clients in industry sectors such as energy and resources, telecommunications, retail and government. Such industries are themselves subject to a number of factors which may not be reasonably foreseeable and can have an adverse effect on the success of parties operating in those industries. Any future economic downturn, recessionary conditions or other economic or political factors relevant to these industry sectors could result in the take-up of the Group's solution and service offerings by existing and new clients in these sectors being reduced. If this were this to occur, it may have an adverse effect on the Company's financial and operating performance.

7.2.4 Reliance on the SAP suite of software products

The Group is reliant to an extent on the SAP suite of software products. If this ecosystem is compromised or SAP's reputation is negatively impacted, this could materially negatively affect the Group's financial performance.

The Group also leverages SAP's partner programme and status for marketing purposes. If StepChange is unable to maintain its SAP partner programme status, this may impact on the Group's operations and future financial performance.

7.2.5 Competition risk

The Group faces competition from other ERP transformation solution providers, as well as from global enterprise software companies and companies offering in-house developed solutions. The broader ERP market is ever-evolving and is fragmented along both product lines (core ERP and ancillary support applications) and geographical lines. While the Board believes fragmentation strengthens the Company's position, the Group will ultimately be competing against existing and potential competitors who may have significantly more financial and operational resources available to them as compared to those of the Group. There is accordingly a risk that any one or more of the following could occur:

- the Group does not anticipate and adapt to changes in technology and key sector trends as quickly as its competitors;
- technological advancements make existing products or services offered by the Group obsolete;
- the Group's competitors enhance and improve their current range of solution and service offerings which improves their competitive positioning relative to the Group;
- ERP software providers, including SAP, enhance the breadth of the functionality of their core products so as to reduce client demand for the Group's service offerings;
- existing or potential competitors (including ERP software providers) increase their market share through aggressive marketing campaigns, product innovation or development, improved functionality, increased service delivery capability or acquisitions; or
- new entrants into the ERP market could develop their own unique services and solutions which compete directly with the services and solutions offered by the Group.

If any of the above scenarios eventuate, there is a risk that the Group may compete less effectively against its competitors, which could reduce its overall market share and ability to retain existing clients and secure new clients. In such circumstances, this could have an adverse effect on the operational and financial performance of the Company.

7.2.6 Loss of key contracts

The Group's relationships with its customers and suppliers are governed by its contractual arrangements with those parties which, in the case of customer arrangements, may, in addition to any rights available to the counterparty in connection with termination upon a breach by StepChange of the terms of the relevant contractual arrangement, also be terminated for convenience by the relevant counterparty upon reasonable notice being provided. Any failure to maintain, renew or replace key contracts and arrangements on commercially acceptable terms, or any failure by a party (including a Group Company) to perform its obligations under such contracts or arrangements, could have a material adverse effect on the Business and the financial and operational performance of the Company. In particular, any failure to maintain, renew or replace contractual arrangements between StepChange and its top customer will likely have a significant material adverse effect on the Business and the financial and operational performance of the Company and the Group. There is a risk that key contracts and arrangements may be lost for a variety of reasons. Certain key contracts and arrangements may be terminated by the counterparty for convenience upon reasonable notice being provided. In these cases, the Group may not have contractual certainty in respect of the term of the relevant contract or arrangement, or the operation of such contract or arrangement. As a result, those contracts and arrangements may give rise to a greater risk of unexpected termination or renegotiation of key commercial terms, or disputes. In addition, there is a risk that contracts may be lost due to a breach of contract by either the relevant counterparty or Group Company. Refer to Section 9.3 for a summary of StepChange's contracts with its key customers.

7.2.7 Contractual terms

As is common for the industry in which StepChange operates, StepChange's contractual arrangements are primarily on the counterparty's terms and as a result include termination for convenience provisions and other provisions which may be considered as being favourable to the relevant client rather than StepChange. Additionally, many of these engagements operate as broader umbrella arrangements which enable, but do not oblige, the relevant counterparty to place purchase orders with StepChange. Accordingly, notwithstanding that a contract may be in place with a particular client, StepChange cannot guarantee any purchase orders will be placed under the relevant contractual arrangements.

7.2.8 Inability to meet forecasts

Some statements in this Prospectus constitute forward-looking statements, opinions or estimates, including the Forecast Financial Information set out in Section 5. Such forward-looking statements are based on the assumptions set out in Section 5.6 and involve various risks, uncertainties and factors, known and unknown, that may impact the actual results, performance and achievements of the Group and which may cause them to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, opinions or estimates.

There is no guarantee or assurance that the Group will achieve its stated objectives or that a particular outcome, future event, forward-looking statement or forecast is guaranteed or will actually eventuate.

7.2.9 Key client concentration

StepChange has a high dependency on a major client, which contributed to approximately 77% of its overall revenue in FY24. StepChange has two current contractual arrangements in place with this client, one of which is due to expire on 31 December 2025 and another which has an initial term through to December 2028 and 5 consecutive 1-year renewal periods which may be exercised by the client. Following termination of one of its contractual arrangements on 31 December 2025, it is the parties' intention that the second contractual arrangement that is in place will govern all purchase orders between the parties. Accordingly, the expiration of one contractual arrangement on 31 December 2025 will not have a material impact on the operations of the Business. Further, purchase orders have been placed by 5 separate entities within the key client group across the two current contractual arrangements.

StepChange's exposure to the top customer was partially driven by the acquisition by that customer of significant assets from another of its clients in 2022. The Directors expect exposure to that top customer to reduce over time, due to a combination of:

- expected organic growth via the expansion of revenue from other existing customers of StepChange;
- organic growth via revenue from new logo wins; and
- inorganic growth opportunities, as outlined in Section 3.5.

That key client has been a customer of StepChange for 18 years but is entitled, under the terms of the relevant contractual arrangements, to terminate those arrangements for convenience at any time by providing the required period of notice to StepChange (being 14 days' notice under one contractual arrangement and 45 days' notice under its other contractual arrangement). If the relevant key client were to terminate its existing arrangements with StepChange or if it decided not to exercise the options for extension available to it under those arrangements, this would have a significant impact on the financial performance of StepChange and as a result the financial performance of the Group.

7.2.10 Intellectual property

The most common forms of registrable intellectual property (**IP**) are patents, trademarks and designs. Other forms of IP for which there is no statutory registration system include copyright, confidential information, business "know-how" and trade secrets. The Group does not have any registrable IP in relation to its service offering. The Group does hold other forms of IP such as copyright, confidential information, business "know-how" and trade secrets and these forms of IP are protected through its contractual arrangements with customers and its employees.

In the event that senior employees leave the Group, there is a risk that business "know-how" or trade secrets in relation to the service offering of the Group could be lost and unable to be regained by the Group. This may affect the Group's ability to continue to offer particular service offerings or result in a reduction of capability in the Group's service offering, which may have an adverse effect on the Group's financial and operational performance.

Any of these factors may result in reduced sales and usage, loss of clients, reputational damage, an inability to attract new clients and potential claims for compensation against the Group.

7.2.11 Cyber security incidents

As an ERP service provider, the use of information technology by the Group will be critical to its ability to deliver products and services to clients, and to the growth of the Business. The Group may be exposed to cyber-attacks, unauthorised access to data, theft and disruption outside of its control. Any accidental or deliberate security breaches or other unauthorised access to the Group's systems or client data may result in reputational damage, a loss of confidence in the Business, a disruption of services to clients, loss of clients, claims made against the Group by its clients, theft, misappropriation of funds, legal action or regulatory scrutiny. The Group may also incur costs as a result of rectifying any incidents or introducing additional safeguards to minimise the risk of future security breaches. Any of these events could adversely impact the Company's reputation, business and financial performance.

There is also a risk that any protective or preventative measures the Group takes may not be sufficient to prevent or detect any unauthorised access to, or disclosure of, the Group's confidential or proprietary information. Any of these events could cause a material disruption to the Business and the Group's operations. This may also expose the Group to reputational damage, claims against the Group by its clients, regulatory action against the Group (including investigations or fines) and/or termination of contracts, any of which could have an adverse effect on the Company's financial or operational performance.

7.2.12 Key personnel

Success of the Group will be dependent on the ability:

- of the Board and the senior management of the Group to oversee the day-to-day operations and strategic management of the Group and the Business; and
- of the Group to attract and retain key quality employees and consultants.

The Group has identified and put in place initiatives to retain key management personnel. While the Group has entered into employment or consultancy agreements with its officers, employees and consultants which it considers are reasonable and appropriate, there is no assurance that such arrangements will not be terminated. There can be no assurance given that there will be no detrimental impact on the Company if one or more of the Group's officers, employees or agents ceases their employment or engagement with the Group. There is no assurance that the Group will be able to retain the services of all these persons. If the Group is unable to retain existing skilled personnel or it is unable to attract quality employees and consultants, this could adversely affect the ability of the Group to grow and expand as it intends to.

7.2.13 Earn-out Consideration

As stated in Section 9.2, the Company may elect to satisfy up to 75% of the Earn-out Consideration payable (if any) by way of an issue of Shares to the Vendors. If the maximum Earn-out Consideration of $5.7 million becomes payable to the Vendors and the Company elects to satisfy 75% of that amount by way of an issue of Shares, Shareholders will be diluted as a result of that issue of Shares and the Vendors' interest in the Company will increase (refer to Section 2.10).

7.2.14 Acquisition risk

As stated in Section 3.5, the Board intends on growing the Business both organically and, as opportunities present themselves, through potential acquisitions of IT businesses which offer similar services to the Business and which present an opportunity to expand the existing delivery capabilities of the Business, expand the client base of the Business through the provision of services to clients in different industries to that which the Business currently provides services (being predominantly energy and mining-based clients) or expand the Business into new regions or markets. While the Company will attempt to undertake all reasonable and appropriate due diligence in respect of any acquisition opportunities, there is a risk that the due diligence and analysis may be incomplete or inaccurate, warranties or indemnities cannot be obtained, or that the benefits and synergies the Company anticipates to receive from such acquisitions may not be realised due to a variety of factors. Although the Company will seek to obtain suitable warranties and indemnities in respect of any acquisition, there is a risk that adverse issues are subsequently discovered and that these risks cannot be fully mitigated by any contractual protection. If an unforeseen liability arises in respect of which the Company is not able to rely on any contractual protection, this may adversely affect the financial and operating performance of the Company and the Business.

Additionally, the Company cannot guarantee that the integration of any businesses acquired in the future will be successful. If the integration of the any business acquired in the future is not successful or is not completed within the timeframes contemplated by the Group at the time of the relevant acquisition, this could have a material impact on the Group's financial and operational performance.

The Group's ability to expand through future acquisitions as one part of its growth strategy may be affected by factors beyond its control, which may result in there being limited or unsuitable acquisition opportunities at the relevant time. There can be no assurance that suitable future acquisition opportunities will arise, or if they do arise, that they will be able to be made on acceptable terms. In addition, there is a risk that the acquisitions may fail to meet the strategic and financial objectives, generate the synergies and benefits that are expected, or provide an adequate return on the purchase price and resources invested in them. This may occur due to a variety of factors, including poor market conditions, poor integration of personnel, personnel losses, client losses, technology impacts or other integration barriers. Any of the above factors, either individually or in combination, may have an adverse effect on the Company's financial and operational performance.

7.2.15 Ability to pursue organic growth opportunities

StepChange's ability to successfully pursue organic growth opportunities may be limited by the resources available to StepChange to fulfil the requirements of those opportunities, including the availability of appropriately skilled personnel to be deployed across a broader operational territory (refer to Section 7.2.12 for additional information regarding risks associated with key personnel).

7.2.16 Ability to access funding and capital markets

StepChange has historically relied on organically generated cashflows to grow and expand the Business. As at the date of this Prospectus, the Group does not have any external debt. The Board intends on utilising both the expanded working capital base (as a result of completion of the Offer) along with any suitable available equity funding options in order to fund the Business's day-to-day operations and future growth. Any additional equity funding may be dilutive to Shareholders and/or may be undertaken at lower prices that the current market price (or Offer Price). While the Offer is fully underwritten and the Directors believe that additional capital can be obtained if required, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations or it may prevent the Company from proceeding with any potential acquisitions as they arise, which could adversely affect the ability of the Group to grow and expand as it intends to.

7.2.17 Regulatory risk

The Group will be subject to various regulatory requirements (including those applicable to the ERP and broader IT services industry). Any changes to legislation, standards, policies, guidelines, interpretations or principles may affect the ability of the Group and the Business to carry out its day-to-day operations and/or achieve its future objectives. Further, the proposed pursuit of growth opportunities (both organic and inorganic) by the Group may result in the Group being subject to a broader regulatory environment (including foreign regulatory requirements). The Company is unable to predict or control changes to regulatory requirements which may have an adverse effect on the Company or the Group.

7.3 GENERAL INVESTMENT RISKS

7.3.1 Market conditions

Share market conditions may affect the value of the Shares regardless of the Company's operating performance. Share market conditions are affected by many factors, including:

- general economic outlook;
- introduction of tax reform or other new legislation;
- the strength of the equity and share markets in Australia and internationally;
- movement in, or outlook on, exchange rates, interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- natural disasters, pandemics, social upheaval or war; and
- terrorism or other hostilities (including industrial disputes).

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

7.3.2 Price of Shares

The Company's operating results, economic and financial prospects and other factors will affect the trading price of its Shares. In addition, the price of Shares will be subject to varied and often unpredictable influences on the market for equities. There is no assurance that the price of the Shares will increase or not decrease following the commencement of quotation on ASX, even if the Company's earnings increase.

7.3.3 Trading in Shares might not be liquid

There is currently no public market through which Shares may be sold. There can be no guarantee that an active market for Shares will develop or that the price of Shares will increase following Listing. There may be relatively few potential buyers or sellers of Shares on ASX at any time.

This may increase the volatility of the market price of Shares. It may also affect the prevailing market price at which Shares are able to be sold. This may result in holders of Shares receiving a market price for their Shares that is less or more than the price that they paid.

Upon completion of the Offer and Settlement, the Escrowed Shares will comprise, in the event the minimum subscription amount of $14 million is raised, up to approximately 52.30% and, in the event the maximum subscription amount of $15 million is raised, up to approximately 50.68%, of the total Shares on issue and will be subject to voluntary escrow conditions as described in Section 10.2. During the Escrow Period, the existence of such escrow arrangements may adversely affect the market price of Shares.

Following the end of the Escrow Period, a significant sale of Shares by the Escrowed Shareholders (or the perception that such sales might occur following the end of the Escrow Period) could adversely affect the market price of the Shares.

7.3.4 Inability to pay dividends

The ability for future dividends or other distributions to be paid by the Company will be contingent on the Group's continued ability to generate profits. To the extent that the Company pays any dividends, the ability to offer fully franked dividends is contingent on marking taxable profits in excess of accumulated losses. Taxable profits may be volatile, making the payment of dividends unpredictable.

The value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual circumstances of each Shareholder.

7.3.5 Litigation risk

The Group may, from time to time in the ordinary course of business, be involved in litigation disputes. Litigation disputes brought by third parties, including but not limited to clients, suppliers, business partners or employees, may, in instances where the legal proceedings are greater than or outside the scope of the Group's insurances, adversely impact the financial performance and industry standing of the Group. There is a risk that material and costly disputes relating to contractual claims, occupational health and safety claims, employee claims and regulatory disputes could affect the financial performance and condition of the Group.

As at the date of this Prospectus, there are no material legal proceedings affecting the Group and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Group.

7.3.6 Accounting standards

Changes in Australian Accounting Standards and subjective assumptions, estimates and judgements by management related to complex accounting matters could significantly affect the Group's financial results or financial condition.

There is also a risk that interpretations of existing Australian Accounting Standards, including the measurement and recognition of key income statement and balance sheet items, including revenue and receivables, may differ. Changes to Australian Accounting Standards or changes to the commonly held views on the applications of those standards could materially adversely affect the financial performance and position reported in the Group's financial statements.

7.3.7 Shareholder dilution

The Company may in the future elect to issue Shares or engage in fundraising activities for a variety of reasons, including to fund acquisitions or growth initiatives. While the Company will be subject to the constraints of the Listing Rules regarding the percentage of capital it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares or fundraising activities.

7.3.8 Taxation risk

Changes in Australian or international tax laws or changes in the way those laws are interpreted may impact the Company's tax liabilities or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change.

An investment in Shares pursuant to the Offer or Secondary Offer involves tax considerations which may differ for each Applicant. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of the Shares offered under this Prospectus.

7.3.9 Regulatory risk

The Group is subject to various regulatory schemes across Australia.

As an employer, the Group must comply with various Australian employment laws and policies, in particular the Fair Work Act 2009 (Cth). Although the Group has robust systems in place to ensure compliance with all applicable employment laws and policies, there is a risk that any non-compliance may negatively impact the Group, including its reputation, financial results and ability to attract key talent.

As part of the Group's business model, it is engaged by clients for the provision of services determined under a comprehensive proposal and scope of work agreed between the relevant Group Company and the client, or the relevant Group Company may procure the services of a third party to assist in the delivery of services to a client, that give rise to a labour hire arrangement. In entering into any labour hire arrangement, the Group must comply with Australian state or territory labour hire regimes. The consequence of non-compliance with applicable labour hire laws and policies is potentially significant and may include monetary fines for corporations and other penalties for individual involved in the breach. Additionally, the Group's business model involves the engagement of various personnel under contractor arrangements. Accordingly, any legislative changes to the treatment of contractors for taxation purposes or the categorisation of individuals as employees rather than contractors could have significant impacts on the Group's financial and operational performance.

7.3.10 Contractual risk

The Group relies on contractual arrangements as the basis for providing services to clients. In order to secure certain clients, such as government entities, the Group may be required to agree to contractual terms that would generally be considered unfavourable to the Group or which the Group is unable to negotiate due to its size or the nature of the client's procurement processes.

This may include agreeing to indemnities that are not mutual, unlimited liability for loss or damage suffered by a client resulting from an act or omission of the Group or the ability for the client to terminate the contractual arrangement for convenience. Where possible, the Group will seek to negotiate terms for contractual arrangements that are commercially acceptable to the Group or are otherwise consistent with market standards.

7.3.11 Unforeseen risk

There may be other risks of which the Directors are unaware as at the date of this Prospectus which may impact the Group, its operations and/or the valuation or performance the Shares.

7.3.12 Investment speculative

The above risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by prospective investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee for the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. Board, Management and Corporate Governance

8. Board, Key Management and Corporate Governance

8.1 BOARD OF DIRECTORS AND COMPANY SECRETARY

Geoffrey Lewis – Non-Executive Chairman

Mr Lewis established formerly listed ASG Group Limited (ASX: ASZ) in 1996 and was its Managing Director until it was acquired and delisted in late 2016 for $350 million by Japanese multinational IT services and consulting business Nomura Research Institute, Ltd. He since founded COSOL Limited (ASX:COS) and has been its Non-Executive Chairman since inception. Mr Lewis has over 25 years' experience in the delivery of IT services and outsourcing.

Shane Bransby – Managing Director

Mr Bransby is an experienced IT services professional with particular expertise in areas including company strategy, mergers & acquisitions. He has been involved in the acquisition, consolidation and integration of multiple IT services companies and has over 20 years' experience as a director and key executive of both public and private companies, including having held the role of Head of Mergers and Acquisition and Strategy with ASG Group Limited (formerly ASX:ASG) with NRI Australia Limited, part of the multi-billion dollar Nomura Group. Mr Bransby was instrumental in the strategic planning and execution of NRI's acquisition in 2021 of Planit (a leading quality assurance business with offices in Australia, New Zealand, India and the United Kingdom) and subsequent follow-on acquisitions. In 2022-23, he was involved in the roll-up of 3 NZ cyber security firms to form Bastion Security Group, in respect of which he is currently a Non-Executive Director.

Adam Simpson – Independent Non-Executive Director

Mr Simpson is well-known for his career in the Australian Football League (AFL) as both a player and coach. Mr Simpson was captain of the North Melbourne Football Club from 2004 to 2008 and his strong work ethic and collaborative leadership was acknowledged with All-Australian honours. Mr Simpson transitioned from a successful playing career to a coaching career with the West Coast Eagles, coaching the team from 2014 to 2024 and leading the team to a premiership in 2018.

Beyond AFL, Mr Simpson has also achieved significant success in the business world. Mr Simpson has a strong skill-set in matters such as goal setting, team dynamics, continuous improvement, resilience, and innovation, drawing on his 3 decades of experience within high-performance sport environments.

Emma Wates – Company Secretary

Ms Wates has over 20 years' experience in providing company secretarial and corporate compliance services to listed companies. Ms Wates has advised on a number of successful ASX listings as well as being involved in various secondary and seed capital raisings for public and private companies. Ms Wates is a chartered accountant and a senior associate of the Financial Services Institute of Australia.

8.2 KEY MANAGEMENT

Richard Alan Jarvis – Chief Financial Officer, Company

Mr Jarvis has more than 25 years' experience as an accounting and finance professional and is a Fellow of the Institute of Chartered Certified Accountants (UK).

Mr Jarvis commenced his career working in top tier and boutique accounting firms in their assurance and advisory divisions, which offered integrated services that included audit, tax and business consulting services.

For the past 18 years Mr Jarvis has worked as a chief financial officer for several ASX and dual listed companies in the natural resources and technology sectors, with companies including Sylvania Platinum Limited (ASX/AIM: SLV), Nyota Minerals Limited (ASX/AIM: NYO), RooLife Group Limited (ASX: RLG), Connexion Telematics Ltd (ASX: CXZ) and Spenda Limited (ASX: SPX).

Jason Nesa – Joint Chief Executive Officer, StepChange

Mr Nesa is senior business director and general manager with international IT consulting experience across the European and Australian markets. As director of StepChange since its incorporation in 2014, Mr Nesa has significant experience in the ERP consulting market in the energy, utilities and resource industries.

Kim Carroll – Joint Chief Executive Officer, StepChange

Ms Carroll is an IT and management consultant specialist with over 30 years of experience in professional services. Ms Carroll has significant experience as a leader in the sector which includes change management, relationship management, business process transformation and client and industry-specific solutions. Ms Carroll is skilled at ensuring the delivery of multi-dimensional cross-functional solutions to bring together strategy, business and people.

8.3 MANAGEMENT AND CONSULTANTS

The Company is aware of the need to have sufficient senior management personnel in order to properly supervise the day-to-day operations and strategic management of the Group and the Business. The Board will continue to monitor the Group's development and management capabilities to ensure they are properly adequate. The Board will look to appoint additional management personnel, employees and/or consultants when and where appropriate to ensure there is at all times proper management of the Group and the Businesses.

8.4 DIRECTOR REMUNERATION

Each of the Directors has entered into agreements with the Company, pursuant to which, they are entitled to the annual remuneration set out in the table below.

Director/Key Management Personnel	Remuneration
Shane Bransby (Managing Director)	$325,000
Geoffrey Lewis (Non-Executive Chairman)	$84,000
Adam Simpson (Independent Non-Executive Director)	$60,000

A summary of the agreements between the Company and each Director is set out in Section 9.4.

8.5 DIRECTOR INTERESTS IN SECURITIES

Directors are not required under the Constitution to hold any Shares to be eligible to act as a Director.

Details of each Director's relevant interest in Shares upon completion of the Offer and Settlement are set out in the table below:

Director/Key Management Personnel	Number of Shares	% ($14M)	% ($15M)
Shane Bransby (Managing Director)[1]	11,601,440	7.41	7.18
Geoffrey Lewis (Non-Executive Chairman)[2]	23,712,000	15.14	14.67
Adam Simpson (Independent Non-Executive Director)	1,871,200	1.19	1.16

Notes:

1. *Mr Shane Bransby holds 3,000,000 Options. The Options are exercisable at $0.286 per Option on or before 31 October 2029 and are subject to various vesting conditions. Further details regarding rights attaching to the Options are summarised in Section 9.4.2 and 9.4.5.*
2. *Includes 2,500,000 Shares to be issued to Mr Geoffrey Lewis (or his nominee) in satisfaction of the Second Milestone Payment (refer to Section 9.4.8).*

8.6 ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's current size and stage of operations, the Board considers that the current Board is a cost-effective and practical method of directing and managing the Company.

As the Company's activities develop in size, nature and scope following its Listing, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.stepchangeholdings.com.

8.6.1 Board of Directors

The Board is responsible for corporate governance of the Company.

The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

(a) maintain and increase Shareholder value;

(b) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and

(c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

(d) ensuring compliance with the Corporations Act, ASX Listing Rules (where appropriate) and all other relevant laws;

(e) leading and setting the strategic direction, values and objectives of the Company;

(f) appointing the Chairman, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;

(g) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;

(h) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;

(i) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit;

(j) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;

(k) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(l) reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters; and

(m) approving the Company's remuneration framework and ensuring it is aligned with the Company's purpose, values, strategic objectives and risk appetite.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully informed basis.

8.6.2 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

(a) membership of the Board will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and

(b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, commercial, leadership and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of 3 Directors (2 non-executive Directors and one executive Director) of whom Mr Adam Simpson is considered independent and Mr Shane Bransby and Mr Geoffrey Lewis are not classified as independent directors, as Mr Bransby holds an executive role with the Company and is also a substantial shareholder and Mr Lewis is a substantial shareholder in the Company.

The Board considers the current balance of skills and expertise to be appropriate given the Company's current stage of operations.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board has and will continue to undertake appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

8.6.3 Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Business.

The Board and management are charged with evaluating and considering improvements to the Company's risk management and internal control processes on an ongoing basis. Key operational risks and their management will be recurring items for deliberation at Board meetings.

8.6.4 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly, with integrity, and in compliance with all applicable laws, rules and regulations.

In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in in the Company's Anti-Bribery and Anti-Corruption Policy.

In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct.

The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

8.6.5 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

8.6.6 Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in a general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable.

The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. As at the date of this Prospectus, no maximum remuneration amount has been set.

In addition, a Director may, subject to any Shareholder approval, be paid fees or other amounts (for example non-cash performance incentives such as options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred by them in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

8.6.7 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e., Directors and, if applicable, any employees reporting directly to the managing director).

The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

8.6.8 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

8.6.9 Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

(a) monitoring and reviewing any matters of significance affecting financial reporting and compliance;

(b) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;

(c) monitoring and reviewing the Company's financial control system and risk management systems; and

(d) management of the Company's relationships with external auditors.

8.6.10 Diversity policy

The Company is committed to workplace diversity.

The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

8.7 DEPARTURES FROM RECOMMENDATIONS

Following admission to the Official List, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departure from the Recommendations as at the date of this Prospectus will be announced upon its admission to the Official List.

9. Material Contracts

9. Material Contracts

Set out below is a summary of material contracts to which the Company or StepChange is a party.

9.1 UNDERWRITING AGREEMENT

The Company and the Lead Manager and Underwriter have entered into an underwriting agreement dated 30 May 2025 (**Underwriting Agreement**) pursuant to which the Lead Manager and Underwriter has agreed to act on an exclusive basis as bookrunner, lead manager and underwriter to the Offer.

The key provisions of the Underwriting Agreement are set out below:

9.1.1 Fees and expenses

The Company has agreed to pay to the Lead Manager and Underwriter a combined management and underwriting fee of 5% of the funds raised under the Offer (before costs), other than the portion of the funds raised under the Offer arising out of investments made by any person identified in the Chairman's list provided by the Company to the Underwriter on or before the Closing Date, up to a maximum of $2,000,000, in respect of which a fee of 2% will be payable.

The Lead Manager and Underwriter has agreed to apply for 500,000 Shares under the Offer.

9.1.2 Termination events

The Lead Manager and Underwriter may, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events (in some instances, having regard to the materiality of the relevant event) including, but not limited to, where:

(a) (**Index fall**) the S&P/ASX 200 Index falls to a level that is 90% or less of the level as at the close of normal trading on either the Business Day immediately preceding the date of this agreement or the date of this agreement and closes at or below that 90% level on:

(i) at least 3 consecutive Business Days during any time after the date of this agreement and prior to the close of trading on ASX on the Settlement Date; or

(ii) the Business Day immediately prior to the close of trading on ASX on the Settlement Date;

(b) (**ASIC action**) ASIC:

(i) issues an order (including an interim order) under section 739 of the Corporations Act and any such order is not withdrawn within 3 Business Days or, if it is made within 3 Business Days of the Settlement Date, it has not been withdrawn by the day before the Settlement Date;

(ii) holds a hearing under section 739(2) of the Corporations Act;

(iii) makes an application for an order under Part 9.5 in relation to the Offer or the Prospectus or holds, or gives notice of its intention to hold, a hearing or investigation in relation to the Offer, the Prospectus or any supplementary prospectus under the Corporations Act or the ASIC Act; or

(iv) prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings or any hearing, inquiry or investigation against, the Company or any of its officers, employees or agents in relation to the Offer, the Prospectus or any supplementary prospectus;

(c) (**withdrawal of consents)** any person:

(i) who has previously consented to the inclusion of their name or any statement in the Prospectus (or any supplementary prospectus) (other than the Lead Manager and Underwriter) withdraws that consent (including, without limitation, by way of notice under section 733(3) of the Corporations Act); or

(ii) gives a notice under section 730 of the Corporations Act in relation to the Prospectus (or any supplementary prospectus) (other than the Lead Manager and Underwriter); or

(iii) whose consent to the issue of the Prospectus (or any supplementary prospectus) is required by section 720 of the Corporations Act and who has previously consented to the issue of the Prospectus (or any supplementary prospectus) withdraws such consent;

(d) (**ASX approval**) ASX makes an official statement to any person, or indicates to the Company or the Lead Manager and Underwriter (whether or not by official statement) that:

(i) Official Quotation of all of the Shares will not be granted, or will be granted subject to conditions that are not acceptable to the Lead Manager and Underwriter, or such approvals will not be given by 10 July 2025 (or such later date agreed in writing by the Lead Manager and Underwriter in its absolute discretion), or is withdrawn, qualified or withheld on or before 10 July 2025; or:

(ii) the Company will not be admitted to the Official List;

(e) (**Offer Documents**) the Lead Manager and Underwriter forms the view (acting reasonably) that the Prospectus or any aspect of the Offer does not comply with the Corporations Act, Listing Rules or any other applicable law including due to:

(i) a statement in the Prospectus which is or becomes untrue, inaccurate, misleading or deceptive or is likely to mislead or deceive (whether by inclusion or omission);

(ii) an omission from the Prospectus of any information that is required by the Corporations Act and other applicable laws to be included; or

(iii) any forecasts, expressions of opinion, intention or expectation which are not based on reasonable grounds;

(f) (**Escrow Deeds**) any Escrow Deed is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;

(g) (**misconduct**) any of the following occurs:

(i) the Company or any of its directors or officers (as those terms are defined in the Corporations Act) engage, or have been alleged by a Government Agency to have engaged, since the date of this agreement, in any fraudulent or misleading or deceptive conduct or activity whether or not in connection with the Offer;

(ii) a director of the Company is charged with an indictable criminal offence or is disqualified under the Corporations Act from managing a corporation; or

(iii) any Government Authority commences any public action against the Company or any of its directors or announces that it intends to take any such action;

(h) (**ASIC and ASX Waivers**) any of the ASIC waivers or ASX waivers obtained in connection with the Offer are withdrawn, revoked or amended without the prior written approval of the Lead Manager and Underwriter;

(i) (**withdrawal of Offer**) the Company withdraws the Prospectus or the Offer, or the Offer will not otherwise proceed in accordance with the Underwriting Agreement;

(j) (**offer of refund**) any circumstance arise after lodgement of the Prospectus that result in the Company either repaying the money received from persons who have applied for Offer or offering persons who have applied for Offer an opportunity to withdraw their application for Offer and be repaid their application money;

(k) (**Insolvency Event**) an insolvency event occurs in respect of the Company or any Group Company, or there is an act or omission which may result in the Company or any member becoming subject to an insolvency event;

(l) (**material adverse change**) any material adverse change occurs in the business, assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group, including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group from those disclosed in the Prospectus;

(m) (**Authorisation**) any Authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Lead Manager and Underwriter;

(n) (**future matters**) Any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in the Prospectus is or becomes incapable of being met or, in the reasonable opinion of the Lead Manager and Underwriter, unlikely to be met in the projected timeframe;

(o) (**delay**) any event specified in the Offer timetable is delayed for 2 or more Business Days without the prior written consent of the Lead Manager and Underwriter (acting reasonably);

(p) (**force majeure**) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Government Authority, which makes it illegal for the Underwriter to satisfy a material obligation under this agreement, or to market or promote the Offer or subscribe for Shares; or

(q) (**acquisition**) the Acquisition Agreement is varied, terminated, rescinded, altered or amended, breached or failed to be complied with without the prior written consent of the Underwriter (acting reasonably).

The following termination events are subject to materiality:

(a) (**change of board or management**) a change to the senior management or board of directors of the Company is announced or occurs (other than in a manner described in the Prospectus) without the prior written consent of the Lead Manager and Underwriter (not to be unreasonably withheld);

(b) (**breach of warranty**) a representation, warranty or undertaking made or given by the Company under this agreement proves to be, or becomes, untrue or incorrect;

(c) (**breach of agreement**) the Company fails to perform or observe any of its obligations or breaches any term or condition under the Underwriting Agreement;

(d) (**legal contravention**) the Company commits a material breach of the Corporations Act, Listing Rules, the Constitution, or other applicable laws, or has failed to comply with its continuous disclosure obligations or its Constitution;

(e) (**litigation**) litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company or any Group Company (other than any claims disclosed in the Prospectus);

(f) (**investigation**) any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or any Group Company;

(g) (**new circumstance**) a new circumstance that would be adverse in a material respect from the point of view of an investor arises that would have been required to be disclosed in the Prospectus had it arisen before the Prospectus was lodged with ASX or given to ASIC (as applicable);

(h) (**Supplementary Prospectus**) the Company:

(i) issues or, in the reasonable opinion of the Lead Manager and Underwriter is required to issue, a supplementary prospectus under the Corporations Act; or

(ii) lodges a supplementary prospectus with ASIC in a form and substance that has not been approved by the Lead Manager and Underwriter in circumstances required to provide any information which would have been required to be disclosed in this Prospectus or to otherwise correct any information included in this Prospectus that is, or becomes, misleading or deceptive or likely to mislead or deceive,

that relates to a materially adverse matter;

(i) (**material contracts**) if any of the obligations of the relevant parties under any contract that is material to the business of the Company or the Group as a whole are not capable of being performed in accordance with their terms (in the reasonable opinion of the Lead Manager and Underwriter), or if all or any part of any contract that is material to the business of the Company or the Group as a whole is breached, ceases to have effect, or is or becomes void;

(j) (**change of Constitution or capital structure**) there is an alteration to the Company's capital structure or Constitution, without the prior consent in writing of the Lead Manager and Underwriter, or a breach of the Constitution occurs;

(k) (**unauthorised announcement**) the Company issues a public statement concerning the Offer which has not been approved by the Lead Manager and Underwriter in breach of this agreement;

(l) (**cessation of trading**) trading in all securities quoted or listed on ASX, the London Stock Exchange, Euronext, Six Swisse Exchange, Deutsche Börse, Hong Kong Stock Exchange, Tokyo Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading or substantially all of such a day;

(m) (**moratorium on commercial banking activities**) a general moratorium on commercial banking activities in New Zealand, Australia, Canada, any member state of the European Union, Japan, the United States, China or the United Kingdom, is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;

(n) (**material adverse change in financial markets**) any material adverse effect on financial markets in any of Australia, New Zealand, the United States, the United Kingdom, Japan, China or any member state of the European Union, or the international financial markets, or in foreign exchange rates or any change or development involving a prospective change in national or international political, financial or economic conditions;

(o) (**change of law**) there is introduced into the Parliament of Australia a law or prospective law, or any new regulation is made under any statute, or a Government Authority adopts a policy, or there is any announcement that such a law, prospective law or regulation may be introduced or policy may be adopted (except where such law, prospective law or regulation is announced or generally known to the market prior to the date of this agreement);

(p) (**epidemic**) there is a material escalation of a pandemic or an epidemic such as novel coronavirus, a recurrence of severe acute respiratory syndrome or an outbreak of swine or avian influenza; and

(q) (**hostilities**) there is an outbreak of hostilities not presently existing (in all cases whether war has been declared or not), or the escalation of existing hostilities involving any one or more of Australia, New Zealand, the United States, Canada, any member state of the European Union, Japan, the Peoples Republic of China, Indonesia, North Korea, Russia, Iran, Syria or Israel, or a declaration is made of a national emergency or war, or there is a major act of terrorism anywhere in the world.

9.1.3 Indemnity

Subject to certain exclusions relating to, amongst other things, fraud, wilful misconduct or gross negligence of the Lead Manager and Underwriter, its Affiliates and Related Bodies Corporate and their respective directors, officers, employees, partners, contractors, agents and representatives (Indemnified Parties), the Company undertakes to keep the Indemnified Parties indemnified from losses suffered by them directly or indirectly in connection with the Offer or the Underwriting Agreement.

9.2 ACQUISITION AGREEMENT

The Company has entered into a binding Share Purchase Agreement dated 13 April 2025 (Acquisition Agreement) with each of the shareholders of StepChange (Vendors) and with StepChange, under which the Company has the conditional right to acquire 100% of the issued capital of StepChange.

9.2.1 Terms of the Acquisition Agreement

The key terms of the Acquisition Agreement are as follows:

(a) **Conditions Precedent:** Completion of the transactions contemplated under the Acquisition Agreement is conditional upon satisfaction or waiver of the following conditions precedent:

(i) the Vendors having provided to the Company, and the Company having approved, a plan to reduce the specified debt attributable to StepChange to nil as at Settlement;

(ii) no material adverse condition having occurred or arisen in relation to StepChange before Settlement;

(iii) each of the Key Employees entering into a new employment agreement with StepChange, which agreement must be approved by the Company, for an indefinite term and which is subject to and conditional on Settlement occurring;

(iv) the Vendors discharging all security interests over the assets of StepChange;

(v) each of the directors of StepChange having agreed in writing in favour of the Company to resign, conditional upon and effective as at Settlement, from their respective positions as directors of StepChange, without claim for any compensation whatsoever (other than in terms of amounts to which they may be expressly entitled under the Acquisition Agreement);

(vi) as regards each contract containing a provision requiring the consent of a counterparty to a change in control of StepChange, the Vendors delivering to the Company written confirmation (in a form reasonably satisfactory to the Company) from all relevant counterparties to such change of control contracts confirming that they unconditionally consent for the purposes of that change of control contract to the change of ownership of the Shares from the Vendors to the Company;

(vii) no changes being made to the capital structure and/or debt capital structure of StepChange without the approval of the Company;

(viii) the application by the Company to list on the ASX following Settlement having been conditionally approved by ASX;

(ix) all other necessary regulatory approvals being obtained in connection with the IPO;

(x) the Key Employees having confirmed in writing to the Company that:

(A) they have carefully read and reviewed only those parts of the Prospectus which relate solely to their respective businesses;

(B) all content contained in the Prospectus which has been supplied for inclusion by the Vendors or StepChange is true, correct and not misleading (whether by omission or otherwise);

(C) all information contained in the Prospectus relating solely to the business of StepChange, including as to its nature, performance, key customers and suppliers, is true, correct and not misleading (whether by omission or otherwise), acknowledging that the Key Employees have only reviewed the sections of the Prospectus relating solely to the StepChange business and therefore cannot comment on whether any other information contained in the Prospectus is true, correct and not misleading (whether by omission or otherwise) or whether the sections in the Prospectus relating solely to that business are not misleading (whether by omission or otherwise) in the context of the Prospectus and IPO as a whole; and

(D) to the best of the Key Employees' knowledge and solely in relation to the StepChange business, the Prospectus contains all information that investors and their professional advisers would reasonably require to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of that business, it being acknowledged that the Vendors have not conducted due diligence for this purpose or sought advice on the same;

(xi) Each of the Vendors having delivered to the Company signed escrow agreements (in a form reasonably required by the Company and reasonably acceptable to the Vendors) in connection with the voluntary escrow of the shares in the Company to be issued to them at Settlement under the Secondary Offer until 5:00pm on the first anniversary of the date on which Settlement occurs; and

(xii) the Company having received cleared funds to the value of no less than $14,000,000 by way of subscription funds in connection with the Offer, or such lesser amount as the Company determines in its absolute discretion.

(b) Consideration: In consideration for the acquisition, and subject to the satisfaction or waiver of the conditions precedent set out in Section 9.2.1(a), the Company will pay or issue (as applicable) the following consideration to the Vendors (or their nominees) at Settlement:

(i) $10,800,000 in cash, subject to an adjustment under the Acquisition Agreement to the extent that StepChange's working capital amount at Settlement is greater or less than the required working capital amount and/or the net cash or debt amount at Settlement is positive or negative; and

(ii) 37,500,000 Shares at a deemed price of $0.20 per Share, such Shares to be subject to voluntary escrow for a period of 12 months commencing on and from Settlement.

(c) Earn-out Consideration: The Vendors are also eligible under the Acquisition Agreement to receive an instalment of deferred consideration (**Earn-out Consideration**), depending on the financial performance of StepChange's business following Settlement.

The Earn-out Consideration payable to the Vendors is subject to the following conditions:

(i) the Key Employees have remained continually employed by StepChange or the Company (as applicable) throughout the relevant period (other than where such employment ceases in circumstances where the Key Employee is a "Good Leaver"); and

(ii) StepChange's EBITDA for the financial year ended 30 June 2026 meets or exceeds $4.3 million.

The amount of Earn-out Consideration payable to the Vendors will be calculated using the following formulation:

EOC = (5,700,000/4,800,000) x AE

where:

EOC = The total Earn-out Consideration in Australian dollars payable to the Vendors (in their relevant proportions); and

AE = Actual EBITDA (being EBITDA for the financial period ending 30 June 2026, as calculated in accordance with agreed earn out principles).

The Company may elect to satisfy up to 75% of the Earn-out Consideration by way of an issue of Shares in which case the deemed price at which each Share will be issued will be the volume weighted average price for the 30 trading days immediately prior to the date on which the Earn-out Consideration is to be paid. The maximum aggregate amount that the Company is liable to pay by way of Earn-out Consideration is $5.7 million. The maximum number of Shares that may be issued to the Vendors in connection with the Earn-out Consideration is capped at 21,375,000 Shares.

(d) **Other provisions:** The Acquisition Agreement otherwise contains various terms and conditions which are customarily found in agreements of this nature (including provisions relating to maintenance of assets, warranties, indemnities and confidentiality).

9.3 AGREEMENTS WITH KEY CUSTOMERS

This Section 9.3 sets out summaries of the material terms of the contractual relationships which exist between StepChange and certain of its key customers, so as to highlight the types of relationship that StepChange has formed and which the Group intends to continue following completion of the Offer and Settlement.

9.3.1 Woodside Energy Limited

StepChange provides services to Woodside through a Digital Consultancy Outline Agreement dated 8 November 2019 (**Woodside Australia Agreement**) and a Global IT Project Digital Services Frame Agreement dated 1 January 2025 (**Woodside Global Agreement**) (together, the **Woodside Agreements**). Under the Woodside Australia Agreement, Woodside and its "affiliates" may issue purchase orders to StepChange requesting that StepChange performs particular works set out in the relevant purchase order. Under the Woodside Global Agreement, Woodside and its "affiliates" may issue purchase orders to StepChange requesting that StepChange performs particular works set out in the relevant purchase order. The Woodside Global Agreement enables StepChange to deploy its personnel to Woodside's global projects including (but not limited to) Woodside's projects across Australia, the United States, Mexico and Trinidad and Tobago. In particular, following expiration of the Woodside Australia Agreement on 31 December 2025, the Woodside Global Agreement will operate as the underlying contractual arrangement between StepChange and Woodside in connection with all services provided by StepChange to Woodside. As at the date of this Prospectus, StepChange has 150 active purchase orders with Woodside and its affiliates across 25 projects in respect of which StepChange personnel are currently deployed.

The key terms of the Woodside Agreements are as follows:

(a) **Term:** The Woodside Australia Agreement was for an initial term of 12 months with 5 successive options to extend the term, for 4 further periods of 12 months and one further period of 14 months. On 16 October 2024, Woodside exercised its fifth option to extend the Woodside Australia Agreement, extending the expiry date to 31 December 2025. The Woodside Global Agreement is for an initial term of 3 years with 5 successive options to extend the term for further periods of 12 months (exercisable by Woodside). It is intended that following expiration of the Woodside Australia Agreement, all purchase orders between Woodside and StepChange (including those in respect of Australian projects) will be governed by the Woodside Global Agreement.

(b) **Fees:** The relevant fees payable to StepChange in relation to the services to be provided are set out in the relevant purchase orders.

(c) **Intellectual property:** Any intellectual property created by StepChange in the course of work undertaken pursuant to a purchase order issued under the Woodside Australia Agreement or Woodside Global Agreement (as applicable) is assigned to Woodside. StepChange grants Woodside a worldwide, royalty-free, irrevocable, perpetual, non-exclusive, sub-licensable, transferable licence to use (including to modify, adapt, copy and distribute) StepChange's background intellectual property for the purposes of enjoying the full benefit of the work and any outputs of the work, or otherwise exercising its rights in relation to the work or the intellectual property created under the engagement.

(d) **Indemnities:** Each of StepChange and Woodside, subject to certain exclusions relating to wilful misconduct, fines, penalties and criminal prosecution, release, indemnify, defend and hold harmless one another from and against all claims relating to personal injury, damage to property and pollution arising out of or in connection with the Woodside Australia Agreement or Woodside Global Agreement (as applicable).

(e) **Limitation of liability:**

    (i) Neither party will be liable to the other in respect of any claim for consequential losses arising from the Woodside Australia Agreement or Woodside Global Agreement (as applicable).

    (ii) StepChange's liability to Woodside is limited to the 100% of the amounts payable by Woodside to StepChange under the Woodside Australia Agreement or Woodside Global Agreement (as applicable).

(f) **Termination:** The Woodside Agreements include termination rights which are common in agreements of this nature, including provisions that Woodside may terminate the Woodside Australia Agreement or Woodside Global Agreement (as applicable) at such time or times as it considers necessary for any of the following reasons:

    (i) to suit the convenience of Woodside by providing, in the case of the Woodside Australia Agreement, 14 days' written notice to StepChange, and in the case of the Woodside Global Agreement, 45 days' written notice to StepChange;

    (ii) in the event of a default by StepChange, where such default has not been remedied upon receipt of a notice requiring the default to be remedied;

    (iii) if StepChange or any subcontractor engaged by StepChange directly or indirectly breaches any anti-bribery and corruptions laws; or

    (iv) if StepChange suffers an insolvency event.

9.3.2 BHP Group Limited

StepChange provides services to BHP through various purchase orders which are in each case subject to BHP's then-current standard terms and conditions (**BHP Terms**).

The key terms of the BHP Terms are as follows:

(a) **Term:** The applicable term for the provision of services by StepChange under a purchase order varies for each purchase order. However, StepChange has purchase orders in place with BHP through to 30 June 2026.

(b) **Fees:** The relevant fees payable to StepChange in relation to the services to be provided are set out in the relevant purchase orders.

(c) **Intellectual property:** Any intellectual property created by StepChange in the course of work undertaken pursuant to a purchase order is assigned to BHP. StepChange grants BHP a worldwide, non-exclusive, perpetual, royalty-free, irrevocable, transferable licence to use StepChange's background intellectual property to the extent necessary to use the services provided by StepChange and any intellectual property assigned to BHP under the BHP Terms.

(d) **Indemnities:** StepChange is not required to indemnify BHP under the BHP Terms. However, StepChange is required to rectify any defects in the services provided for a period of 12 months from the date on which a service was last performed.

(e) **Limitation of liability:** BHP's liability to StepChange arising out of or under the BHP Terms is limited to the total price paid or payable in connection with a relevant purchase order.

(f) **Termination:**

(i) BHP may terminate any purchase order:

(A) at any time without being obliged to give any reasons by providing reasonable written notice to StepChange;

(B) immediately by notice in writing to StepChange, if StepChange does not carry out a material obligation at the time and in the manner required under the relevant purchase order and BHP believes, acting reasonably, that the breach cannot be remedied or has provided a notice of default to StepChange and StepChange has failed to remedy that breach; or

(C) immediately if StepChange is insolvent;

(ii) StepChange may terminate any purchase order by notice in writing to BHP if:

(A) BHP fails to make a payment due to StepChange under the purchase order and in respect of which there is no bona fide dispute as to BHP's liability to make the payment and StepChange has provided a notice of default and BHP has not remedied that default; or

(B) BHP is insolvent.

9.3.3 Co-operative Bulk Handling Limited

StepChange provides services to CBH through a Consultancy Services Agreement dated 22 December 2023 (**CBH Agreement**). Under the CBH Agreement, StepChange is required to provide SAP services for the CBH Seratus Project.

The key terms of the CBH Agreement are as follows:

(a) **Term:** The CBH Agreement commenced on 23 December 2023 and was for an initial period of 12 months and 10 days with an option to renew the CBH Agreement for a further period of 12 months by CBH providing 30 days' written notice. CBH exercised its option to extend the term and the CBH Agreement is now due to expire on 31 December 2025. In accordance with StepChange's contract management procedures, StepChange is in early-stage discussions with CBH in relation to its contractual arrangements with CBH.

(b) **Fees:** Under the CBH Agreement, StepChange's estimated fees for providing services is $2,877,895.50 (plus GST).

(c) **Intellectual property:** Any intellectual property created by StepChange in the course of providing the services under the CBH Agreement vests in CBH. StepChange grants CBH an irrevocable, perpetual, non-exclusive and royalty-free licence to utilise its background intellectual property to the extent reasonably necessary to enable CBH to exploit intellectual property rights vested to it under the CBH Agreement.

(d) **Indemnities:** StepChange must indemnify and make good CBH against all claims, losses, damages or liabilities arising from a breach of the CBH Agreement by StepChange or any negligent act or omission of StepChange, its personnel or any subcontractor engaged by StepChange in connection with the CBH Agreement.

(e) **Limitations of liability:** StepChange's liability under the CBH Agreement will be reduced to the extent caused or contributed to by CBH, its employees, agents or contractors. StepChange will also note be liable for any consequential losses.

(f) **Termination:** CBH may terminate the CBH Agreement:

(i) for convenience by providing 30 days' written notice to StepChange; and

(ii) immediately if StepChange breaches its obligations under the CBH Agreement and does not remedy that breach within 7 days of being notified by CBH.

9.3.4 Health Support Services

StepChange provides services to HSS under the 2021 Common Use Arrangement for the Information and Communications Technology (**ICT**) Services with the Department of Finance and CUAICTS2021 Request (together, the **Common Use Agreement**) awarded to StepChange on 1 February 2021.

The key terms of the Common Use Agreement are as follows:

(a) **Term:** The Common Use Agreement was for an initial term of 4 years with 3 successive options to extend the term for further 2 year periods. On 13 March 2025, HSS exercised its first option to extend the term for a further period of 2 years, extending the expiry of the Common Use Agreement to 31 March 2027.

(b) **Fees:** The relevant fees payable to StepChange in relation to the services are charged on a time and materials basis.

(c) **Intellectual property:** Any intellectual property created by StepChange in the course of work undertaken pursuant to the Common Use Agreement is assigned to the State of Western Australia. StepChange grants the State an irrevocable, perpetual, royalty-free, non-exclusive licence to exercise any or all of the rights of an owner of the intellectual property rights in any existing material relating to the intellectual property rights vested in the State.

(d) **Indemnities:** StepChange indemnifies HSS in respect of any loss or liability that has been incurred by HSS as a result of a claim made by a third party, including loss or liability in respect of personal injury, sickness death or property damage, where and to the extent that loss was caused or contributed to by a breach of the Common Use Agreement or the tortious, unlawful or wrongful act or omission of StepChange or its personnel, arises from a third-party claim for a breach of intellectual property or a breach of confidence in respect of StepChange.

(e) **Limitation of liability:** Each party's liability to the other excludes any indirect or consequential losses, losses or liabilities to the extent caused or contributed to by the other party and is limited to an overall liability of $5 million.

(f) **Termination:** The Common Use Agreement may be terminated by HSS:

(i) for convenience by providing 30 days' written notice to StepChange; and

(ii) immediately by notice if StepChange breaches its obligations under the Common Use Agreement.

9.4 AGREEMENTS WITH DIRECTORS AND MANAGEMENT

9.4.1 Non-Executive Letters of Appointment – Messrs Geoffrey Lewis and Adam Simpson

The Company has entered into letters of appointment (Appointment Letters) with each of:

- Mr Geoffrey Lewis, pursuant to which Mr Lewis has been appointed as the Non-Executive Chairman of the Company; and
- Mr Adam Simpson, pursuant to which Mr Simpson has been appointed as an Independent Non-Executive Director of the Company.

The Appointment Letters contain the following key terms:

(a) **Term:** the term of the relevant Director's appointment is subject to the Listing Rules and provisions of the Constitution relating to retirement by rotation and re-election of Directors and will automatically cease at the end of any meeting at which the relevant Director is not re-elected as a Director by shareholders of the Company.

(b) **Fees:** the relevant Director is entitled to be paid the following fees:

(i) Mr Lewis - $84,000 per annum (plus superannuation); and

(ii) Mr Simpson - $60,000 per annum (plus superannuation).

(c) **Termination:** the relevant Director's appointment may be terminated:

(i) pursuant to an ordinary resolution of Shareholders ; or

(ii) by the relevant Director resigning at any time, provided that he must use all reasonable endeavours to give the Company at least one month's prior written notice of such resignation.

Each of the Appointment Letters constitute a related party transaction by virtue of Messrs Lewis and Simpson each being a Director. The Company considers that the benefit provided to each of Mr Lewis and Mr Simpson constitutes reasonable remuneration and therefore does not require member approval under Chapter 2E of the Corporations Act.

9.4.2 Managing Director Services Agreement – Mr Shane Bransby

The Company has entered into an employment agreement with Mr Shane Bransby, Managing Director, which sets out the terms of his employment, the key terms of which are summarised below. The agreement otherwise contains additional provisions which are considered standard for agreements of this nature.

The employment agreement with Mr Shane Bransby constitutes a related party transaction by virtue of Mr Bransby being a Director. The Company considers that the benefit provided to Mr Bransby constitutes reasonable remuneration and therefore does not require member approval under Chapter 2E of the Corporations Act.

Table 9.1: Managing Director remuneration

Item	Description
Base Salary	$325,000 per annum (plus superannuation).
Incentives	A short-term performance-based incentive for each FY during the employment, under which Mr Bransby will be entitled to: 1. a one-off cash bonus of $50,000 upon completion by the Company of a value-accretive acquisition following the successful Listing of the Company on the ASX; and 2. a cash bonus of up to 50% of his annual base salary (i.e. a maximum bonus of $162,500) (**STI Bonus**). The level of STI Bonus payable to the Employee will be based on the performance of the Group against 2 financial metrics, as follows: (a) Up to 50% of the maximum STI Bonus will be payable based on the extent to which the Group achieves its forecast EBITDA target for the relevant FY, on the basis that: • if the Group achieves or exceeds its forecast EBITDA target for that FY, 50% of the maximum STI Bonus will become payable; and • if the Group achieves less than its forecast EBITDA target for that FY, no amount of STI Bonus will be payable in relation to this category (reducing the maximum amount of the STI Bonus to which Mr Bransby is entitled to 50%, to be assessed under the second category below); and (b) Up to 50% of the maximum STI Bonus will be payable based on the extent (if any) to which the Group achieves an improvement in EBITDA margin for the relevant FY over and above the EBITDA margin for the immediately previous FY, on the basis that: • if a margin improvement of at least 1% is achieved, 25% of the maximum STI Bonus will become payable; and • if a margin improvement of at least 2% is achieved, 50% of the maximum STI Bonus will become payable. (c) Mr Bransby's entitlement to STI Bonus for the FY ending 30 June 2026 will, as regards the component of the STI Bonus contemplated in (b) above, be assessed by reference to the FY25 EBITDA margin of StepChange (rather than the EBITDA margin of the Group. (d) Unless otherwise determined by the Board, if the employment ceases prior to the end of the relevant STI assessment period, in circumstances where Mr Bransby is a "Good Leaver", Mr Bransby will, subject to satisfaction of the relevant financial metrics, be entitled to receive the STI Bonus for the relevant FY, on a pro rata basis. A long-term performance-based incentive of 3,000,000 Options vesting in three equal tranches across a 3 year period, subject to certain vesting criteria being satisfied and exercisable at a price of $0.286 per Option. The terms of the Options are set out in Section 9.4.5.
Change of control	A termination payment equal to 6 months of Mr Bransby's base salary payable to him in circumstances where the Company undergoes a change of control and Mr Bransby's employment is terminated by the Company following that change of control.

Item	Description
Termination	Either Mr Bransby or the Company may terminate the agreement by providing 6 months' notice to the other party. Each of Mr Bransby and the Company may terminate the agreement in certain instances of breach.
Restraint	Mr Bransby's employment includes a usual range of restraints which operate both during the term of his employment and for a period of time following termination of his employment including (among other things) restraints preventing Mr Bransby from: • engaging in businesses that are competitive with the Business; and • soliciting personnel and clients away from the Business.

9.4.3 Chief Financial Officer Services Agreement – Mr Richard Jarvis

The Company has entered into an employment agreement with Mr Richard Jarvis, Chief Financial Officer, which sets out the terms of his employment, the key terms of which are summarised below. The agreement otherwise contains additional provisions which are considered standard for agreements of this nature.

Table 9.2: Chief Financial Officer remuneration

Item	Description
Hours	32 hours plus reasonable overtime required to fulfil the role of Chief Financial Officer.
Base Salary	$250,000 per annum (plus superannuation).
Incentives	A short-term performance-based incentive for each FY during the employment, under which Mr Jarvis will be entitled to a cash bonus of up to 50% of his annual base salary (i.e. a maximum bonus of $125,000) (**STI Bonus**). The level of STI Bonus payable to Mr Jarvis will be based on the performance of the Group against 2 financial metrics, as follows: (a) Up to 50% of the maximum STI Bonus will be payable based on the extent to which the Group achieves its forecast EBITDA target for the relevant FY, on the basis that: • if the Group achieves or exceeds its forecast EBITDA target for that FY, 50% of the maximum STI Bonus will become payable; and • if the Group achieves less than its forecast EBITDA target for that FY, no amount of STI Bonus will be payable in relation to this category (reducing the maximum amount of the STI Bonus to which Mr Jarvis is entitled to 50%, to be assessed under the second category below); and (b) Up to 50% of the maximum STI Bonus will be payable based on the extent (if any) to which the Group achieves an improvement in EBITDA margin for the relevant FY over and above the EBITDA margin for the immediately previous FY, , on the basis that: • if a margin improvement of at least 1% is achieved, 25% of the maximum STI Bonus will become payable; and • if a margin improvement of at least 2% is achieved, 50% of the maximum STI Bonus will become payable.

Item	Description
Incentives (continued)	(c) Mr Jarvis' entitlement to STI Bonus for the FY ending 30 June 2026 will, as regards the component of the STI Bonus contemplated in (b) above, be assessed by reference to the FY25 EBITDA margin of StepChange (rather than the EBITDA margin of the Group). (d) Unless otherwise determined by the Board, if the employment ceases prior to the end of the relevant STI assessment period, in circumstances where Mr Jarvis is a "Good Leaver", Mr Jarvis will, subject to satisfaction of the relevant financial metrics, be entitled to receive the STI Bonus for the relevant FY, on a pro rata basis. A long-term performance-based incentive of 1,000,000 Options vesting in 3 tranches across a 3 year period (300,000 Options in Years 1 and 2 and 400,000 in Year 3), subject to certain vesting criteria being satisfied and exercisable at a price of $0.286 per Option. The terms of the Options are set out in Section 9.4.5.
Change of control	A termination payment equal to 6 months of Mr Jarvis' base salary is payable to him in circumstances where the Company undergoes a change of control and Mr Jarvis' employment is terminated by the Company following that change of control.
Termination	Either Mr Jarvis or the Company may terminate the agreement by providing 6 months' notice to the other party. Each of Mr Jarvis and the Company may terminate the agreement in certain instances of breach.
Restraint	Mr Jarvis' employment includes a usual range of restraints which operate both during the term of his employment and for a period of time following termination of his employment including (among other things) restraints preventing Mr Jarvis from: • engaging in businesses that are competitive with the Business; and • soliciting personnel and clients away from the Business.

9.4.4 Joint CEO Services Agreements – Mr Jason Nesa and Ms Kim Carroll

StepChange has entered into executive services agreements with each of Mr Jason Nesa and Ms Kim Carroll which, subject to completion of the Offer and Settlement occurring, set out the terms of their respective employment, the key terms of which are summarised below. The agreements otherwise contain additional provisions which are considered standard for agreements of this nature.

Table 9.3: Joint Chief Executive Officer's remuneration

Item	Description – Jason Nesa	Description – Kim Carroll
Base Salary	$275,000 per annum (inclusive of superannuation).	$275,000 per annum (inclusive of superannuation).
Termination	Either Mr Nesa or StepChange may terminate the agreement by providing 3 months' notice to the other party. Each of Mr Nesa and StepChange may immediately terminate the agreement in certain instances of breach by the other party.	Either Ms Carroll or StepChange may terminate the agreement by providing 3 months' notice to the other party. Each of Ms Carroll and StepChange may immediately terminate the agreement in certain instances of breach by the other party.
Restraint	Mr Nesa's agreement includes a usual range of restraints which operate both during the term of his employment and for a period of time following termination of his employment including (among other things) restraints preventing Mr Nesa from: • engaging in businesses that are competitive with the Business; and • soliciting personnel and clients away from the Business.	Ms Carroll's agreement includes a usual range of restraints which operate both during the term of her employment and for a period of time following termination of her employment including (among other things) restraints preventing Ms Carroll from: • engaging in businesses that are competitive with the Business; and • soliciting personnel and clients away from the Business.

9.4.5 Director and management options

Each of the options issued to Mr Bransby and Mr Jarvis (Options) in accordance with their employment agreements is convertible into one Share on the following basis:

Table 9.5: Terms of Director and Management Options

Term	Description
Exercise Price	Each Option is exercisable at a price of $0.286 per Option.
Vesting Date	Tranche 1: 31 August 2026 Tranche 2: 31 August 2027 Tranche 3: 31 August 2028 In each case the vesting is subject to the satisfaction of the relevant Vesting Conditions.
Expiry Date	Tranches 1, 2 and 3 will expire on 31 October 2029.

Term	Description
Vesting Conditions	The extent to which a tranche of Options will vest will be determined by reference to the comparison between the Total Shareholder Return (i.e. the sum of the increase in the price of a Share, plus the value of any dividends paid in relation to that Share, during the subject period) (**TSR**) achieved in relation to a Share during the financial year ended immediately prior to the relevant vesting date for that tranche of Options under paragraph (A), (B) or (C) above (**Relevant Period**) and the average TSR achieved during the Relevant Period by those companies which are members of the ASX Small Ordinaries Index on the day immediately following the end of the Relevant Period (**Average Peer TSR**), such that: • if the TSR in relation to a Share for the Relevant Period (**Company TSR**) is less than the Average Peer TSR, then none of the relevant tranche of Options will vest; • if the Company TSR is equal to the Average Peer TSR, then 50% of the relevant tranche of Options will vest; and • if the Company TSR exceeds the Average Peer TSR, then 50% of the relevant tranche of Options will vest and, in addition, a further quantity of those Options will vest, on a straight-line calculation basis, having regard to the percentage extent of that exceedance (with an exceedance of 25% resulting in the vesting of the full remaining 50% of the relevant tranche of Options).

The Options have otherwise been granted on the following terms:

(a) **Entitlement:** Subject to the terms and conditions set out below, each Option entitles the holder to the issue of one Share.

(b) **Issue Price:** The Options are issued for nil cash consideration.

(c) **Exercise Period:** Subject to the satisfaction of the relevant Vesting Conditions, the Options are exercisable at any time on and from the relevant Vesting Date until the Expiry Date.

(d) **Notice of Exercise:** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(e) **Issue of Shares:** As soon as practicable after the valid exercise of an Option, the Company will:

(i) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;

(ii) issue a substitute certificate for any remaining unexercised Options to the holder;

(iii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

(iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

(f) **Restriction on transfer of Shares:** If the Company is unable to give ASX a notice that complied with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, then the Company must, no later than 15 Business Days after the Exercise Date, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer of sale of the Shares forming part of the Shares issued on exercise of the Options by the holder after the Exercise Date does not require disclosure to investors.

(g) **Ranking:** All Shares issued upon the exercise of the Options will upon issue rank equally in all respects with other Shares.

(h) **Transferability of Options:** The Options are not transferable.

(i) **Dividend rights:** An Option does not entitle the holder to any dividends.

(j) **Voting rights:** An Option does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

(k) **Quotation of Options:** The Company will not apply for quotation of the Options on any securities exchange.

(l) **Adjustments for reorganisation:** If there is a reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.

(m) **Entitlements and bonus issues:** An Option does not entitle the holder to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.

(n) **Return of capital rights:** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(o) **Rights on winding up:** The Options have no right to participate in the surplus of profits or assets of the Company upon a winding up of the Company.

(p) **Takeovers prohibition:**

(i) The issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and

(ii) The Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on the exercise of the Options.

(q) **Change in Exercise Price:** The Options do not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Options can be exercised.

(r) **No other rights:** An Option does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

9.4.6 Incentive Awards Plan

The Company has adopted an Incentive Awards Plan (**IAP**) to enable eligible participants to be granted Awards in the Company. The key terms of the IAP are summarised below:

Table 9.6: Key terms of IAP

Term	Description
Eligibility	Any individual who is: (a) a director or officer; (b) a full, part-time or casual employee; (c) a provider of services; or (d) a prospective participant who may become a participant under categories (a), (b) and (c), of any Group Company, may participate in the IAP.
Awards	The Company may offer (**IAP Offer**) the following awards (**Awards**) under the IAP: (a) Shares; (b) Options; or (c) Performance Rights.
Vesting conditions	The Board will have discretion to determine the terms of the Awards, including any vesting conditions. Vesting conditions may be waived or reduced in the sole discretion of the Board (unless such waiver or exclusion is excluded by the terms of the IAP Offer). The vesting of an Award on the satisfaction of any vesting conditions will not automatically trigger the exercise of the Award unless specified in the IAP Offer.
Exercise	A participant is entitled to exercise an Award on or after the date of vesting of the Award. Any exercise must be for a minimum number or multiple of Shares (if any) specified in the terms of the IAP Offer.
Expiry	Awards will expire at the end of the exercise period, which is a date fixed in the IAP Offer to each particular participant.
Cessation of employment	If a participant ceases to be eligible to participate in the IAP: (a) all unvested Awards will lapse unless the Board: (i) exercises its discretion to waive any vesting conditions that apply to the Awards under the IAP; or (ii) in its discretion, resolves to allow the unvested Awards to remain subject to any vesting conditions after the participant ceases to be eligible to participate; (b) all vested Awards will lapse unless the Board, in its discretion, resolves that the Award issued in respect of that participant must be exercised within one (1) month (or such later date as the Board determines) of the date the participant ceases to be eligible.

Term	Description
Settle in cash	Subject to the terms of any IAP Offer, the Board may, in its discretion, in lieu of issuing or transferring a Share to a participant on exercise of an Award, pay the participant a cash amount equal to the market value of a Share as at the date the Award is exercised, less any exercise price payable in connection with the exercise and any superannuation or other taxes, duties or other amounts the Company is required to pay or withhold in respect of such payment.
Cashless exercise	The IAP allows participants to request to pay the exercise price for the Awards by setting off the exercise price against the number of Shares the participant would be entitled to receive (**Cashless Exercise Facility**). The approval or refusal of a request to use the Cashless Exercise Facility is at the Board's discretion. The use of the Cashless Exercise Facility is calculated in accordance with the IAP.
Maximum number of securities	The maximum number of equity securities proposed to be issued under the IAP over a 3 year period is limited to 5% of the total number Shares on issue. It is not envisaged that the maximum number of securities will be issued immediately. The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 is 7,833,016 (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan, without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1. The Company will require prior Shareholder approval for the issue of Securities under the Plan to Directors, their associates, and any other person whose relationship with the Company or a Director or a Director's associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.
Restructure	A participant is not entitled to participate in a new issue of Shares or other securities made by the Company to holders of its Shares without exercising the Awards before the record date for the relevant issue. If the issued capital of the Company is reorganised (including by way of consolidation, subdivision, reduction or return), all rights of a participant are to be changed in a manner consistent with the Corporations Act and the Listing Rules.
Amendment	The Board may, at any time, amend the terms of the IAP provided that the amendments will not have a material effect on participants' rights under the IAP.
Governing Law	Western Australia

9.4.7 Deeds of Indemnity, Insurance and Access

The Company has entered into deeds of indemnity, insurance and access with each of the Directors and Company Secretary. Under these deeds, the Company agrees to indemnify each Director to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as a Director of the Company or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Board in certain circumstances.

9.4.8 Agreement – Mr Shane Bransby and Mr Geoffrey Lewis

On 10 July 2024, the Company entered into an agreement with Messrs Bransby and Lewis (**Agreement**) under the terms of which it was acknowledged that Mr Bransby and Mr Lewis had spent considerable time, effort and resources:

(a) analysing the information technology industry in Australia and New Zealand;

(b) reviewing associated available business opportunities and identifying StepChange as being a high-quality opportunity;

(c) undertaking initial due diligence investigations in relation to StepChange to confirm its viability as a potential acquisition target; and

(d) developing indicative transaction metrics in connection with the acquisition.

Further, it was acknowledged that Mr Bransby and Mr Lewis had developed, created and generated associated collateral in relation to the potential acquisition of StepChange, including work papers, reports, strategies, plans, presentations and other documents (**Collateral**).

Pursuant to the terms of the Agreement, Messrs Bransby and Lewis agreed to provide and transfer to the Company the Collateral and provide transitional assistance to the Company so as to put it in the position of being able to pursue a proposed acquisition of StepChange in exchange for the Company agreeing to pay to each of Messrs Bransby and Lewis:

(a) within 7 days of execution by the Company and StepChange of a legally binding agreement in relation to the acquisition by the Company of 100% of the share capital in StepChange (**Term Sheet**) either (at the election of each of Mr Bransby and Mr Lewis):

    (i) share-based consideration to the value of $500,000, at a deemed price per share equal to that at which seed investors in the Company were offered the opportunity to subscribe; or

    (ii) $500,000 in cash,

(**First Milestone Payment**); and

(b) within 7 Business Days after the achievement of the successful admission to trading of the Shares on the ASX, a further $500,000 in cash (**Second Milestone Payment**).

Each of Mr Bransby and Mr Lewis was also entitled to be appointed as a director of the Company within 30 days after the execution of the Term Sheet.

Following an election by Messrs Bransby and Lewis to receive the First Milestone Payment by way of an issue of Shares, the relevant quantities of Shares comprising the First Milestone Payment have been issued by the Company to each of Messrs Bransby and Lewis (refer to Section 2.9). Mr Lewis has also agreed to accept the Second Milestone Payment by way of an issue of Shares at a price per Share equal to the price at which Shares are offered under the IPO (being $0.20). Accordingly, subject to the successful completion of the Company's Listing, the Company will:

- pay the Second Milestone Payment to Mr Bransby; and
- issue 2,500,000 Shares, at a deemed price of $0.20 per Shares to Mr Lewis (or his nominee).

At the time of entry into the Agreement, Messrs Lewis and Bransby were not Directors and therefore, not related parties of the Company and the Company was a proprietary limited company and therefore not subject to Chapter 2E of the Corporations Act. Accordingly, the Company does not consider that the Agreement is a related party transaction.

10. Additional Information

10. Additional Information

10.1 RIGHTS AND LIABILITIES ATTACHING TO SHARES

Full details of the rights and liabilities attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the principal rights and liabilities which attach to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, you should seek independent legal advice.

10.1.1 Voting

Every Shareholder present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and on a poll, every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every Share held by him or her.

A poll may be demanded by the chairman of the meeting, by not less than 5 Shareholders entitled to vote on the particular resolution present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of the Shares of all those Shareholders having the right to vote on the resolution.

10.1.2 Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system permitted by the Corporations Act for the purpose of facilitating dealings in Shares or by an instrument in writing in any usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of Shares (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules. The Company must not prevent, delay or interfere with the generation of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

10.1.3 Meetings and notice

Each Shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

10.1.4 Liquidation rights

The Company has only issued one class of Shares, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of Shareholders divide among the Shareholders the whole or any part of the remaining assets of the Company. The liquidator can, with the sanction of a special resolution of the Shareholders, vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder can be compelled to accept any shares or other securities in respect of which there is any liability.

10.1.5 Shareholder liability

As the Shares are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

10.1.6 Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three-quarters of Shareholders present and voting at the relevant general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

10.1.7 Listing Rules

If the Company is admitted to the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

10.2 RESTRICTED SECURITIES

The following parties are subject to voluntary escrow arrangements with the Company (and are each an **Escrowed Shareholder**):

Table 10.1: Escrowed Shareholders

Escrowed Shareholder	Number of Escrowed Shares[1]
Geoffrey Lewis and his controlled entities[2]	23,712,000
Shane Bransby and his controlled entities	11,601,440
Simpson Promotions Pty Ltd as trustee for the Simpson Family Trust	1,871,200
Valtellina Investments Pty Ltd as trustee for the Nesa Family Trust	22,500,000
JMK Ventures Group Pty Ltd as trustee for the Sanary Investment Trust	15,000,000
Grant Anthony Pestell and his controlled entities	7,241,545
Total	**81,926,185**

Notes:

1. *Excludes any additional Shares applied for under the Offer. Any additional Shares applied for under the Offer by an Escrowed Shareholder will not be subject to the voluntary escrow arrangement summarised in this Section 10.2.*
2. *Includes 2,500,000 Shares to be issued to Mr Geoffrey Lewis (or his nominee) in satisfaction of the Second Milestone Payment (refer to Section 9.4.8).*

Each Escrowed Shareholder has entered into a voluntary escrow deed in respect of their Escrowed Shares (**Escrow Deed**), which prevents them from dealing in their Escrowed Shares for the applicable escrow period (with "dealing" being broadly defined to include, among other things, disposing of, or agreeing or offering to dispose of, the Escrowed Shares, or any legal, beneficial or economic interest in the Escrowed Shares or to create or agree or offer to create any security interest in the Escrowed Shares).

Escrowed Shares held by each Escrowed Shareholder will be subject to escrow for a period of 12 months commencing on and from the Settlement Date (**Escrow Period**).

An Escrowed Shareholder may be released from these escrow obligations to enable:

(a) the Escrowed Shareholder to transfer or sell, agree to transfer or sell or indicate that it will accept an offer to buy or transfer Escrowed Shares under a takeover offer (including a proportional takeover offer) under Chapter 6 of the Corporations Act where holders of at least 50% of the Shares that are not subject to any voluntary escrow have accepted the takeover offer (or proportional takeover offer) and the offer has become unconditional; or

(b) the Escrowed Shares to be cancelled by the Company or transferred as part of a scheme of arrangement under part 5.1 of the Corporations Act.

Additionally, each Escrowed Shareholder who is also a Vendor, may in certain circumstances (and provided it would not be contrary to section 609B of the Corporations Act to do so) be permitted to sell Escrowed Shares to meet claims which arise during the Escrow Period in connection with a breach of its obligations under the Acquisition Agreement, including a claim for breach of the warranties given by the Escrowed Shareholder in favour of the Company under the Acquisition Agreement.

The terms of the Escrow Deeds satisfy the relevant requirements of section 609B of the Corporations Act and, accordingly, the Company is not deemed to have a relevant interest in the Escrowed Shares as a result of the arrangements the subject of the Escrow Deeds.

10.3 INTERESTS OF DIRECTORS OF THE COMPANY

Except as disclosed in this Prospectus, no Director holds, or during the last 2 years has held any interests in:

(a) the formation or promotion of the Company; or

(b) property acquired or proposed to be acquired by the Company,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him to become or to qualify as a Director or otherwise for services rendered by him in connection with the formation or promotion of the Company.

10.3.1 Remuneration disclosure

The remuneration payable to the Directors is set out in Section 8.4.

10.4 INTERESTS OF EXPERTS AND ADVISERS

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

(a) the formation or promotion of the Company; or

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of this Prospectus.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner, or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or this Prospectus.

MPH Lawyers has acted as solicitors to the Company in relation to this Prospectus. For their work on this Prospectus, the Company has agreed to pay MPH Lawyers $97,500 (plus GST and disbursements). MPH Lawyers has provided other professional services to the Company during the last 2 years in connection with the Offer and Acquisition amounting to approximately $497,595.50 (plus GST and disbursements).

Ord Minnett has acted as Lead Manager and Underwriter to the Offer. The fees payable to Ord Minnett are set out in Section 9.1.1.

McGrath Nicol has acted as Investigating Accounting to the Company in relation to this Prospectus. For their work on this Prospectus, the Company has agreed to pay McGrath Nicol $140,000. McGrath Nicol has provided other professional services to the Company during the last 2 years in connection with the Offer and Acquisition amounting to approximately $290,000.

10.5 CONSENTS

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus, and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(b) in light of the above, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

McGrath Nicol Transaction Advisory Pty Ltd has given its written consent to be named as Investigating Accountant of the Company in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 6 of this Prospectus in the form and context in which the information and report is included. McGrath Nicol Transaction Advisory Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Elderton Audit Pty Ltd has given its written consent to be named as auditor of the Company in this Prospectus and to the inclusion of the audited financial information of the Company in Section 5 of this Prospectus in the form and context in which it appears. Elderton Audit Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Frost and Sullivan has given its written consent to be named as industry expert in this Prospectus and to the inclusion of the industry information in Section 4 of this Prospectus in the force and context in which the information and report is included. Frost and Sullivan has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

MPH Lawyers has given its written consent to be named as solicitors of the Company in this Prospectus. MPH Lawyers has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Ord Minnett has given its written consent to be named as Lead Manager and Underwriter to the Offer in this Prospectus. Ord Minnett has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Automic Group Pty Ltd has given its written consent to be named Share Registry in this Prospectus. Automic Group Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

10.6 EXPENSES OF THE OFFER

The total expenses of the Offer (excluding GST) are estimated to be approximately $1,632,918 to $1,782,918 and are expected to be applied toward the items set out in the table below:

Table 10.2: Expenses of the Offer

Item of expenditure	Minimum $	Maximum $
ASIC fees	3,206	3,206
ASX fees	141,363	143,066
Lead Manager and Underwriter fee	700,000	750,000
Legal fees	285,349	285,349
Investigating Accountant's fees	430,000	430,000
Market Sector Report	32,000	32,000
Miscellaneous	41,000	41,000
TOTAL[1]	**1,632,918**	**1,782,918**

Notes:

1. *The Company has already paid $597,199 in expenses associated with the Offer, with the balance of $1,035,719 to $1,085,719 payable from the funds raised from the Offer.*

10.7 LITIGATION

Neither the Company nor StepChange is currently party to any litigation proceedings, whether as plaintiff or defendant.

10.8 CONTINUOUS DISCLOSURE OBLIGATIONS

On being admitted to the Official List of ASX, the Company will be a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations which require it to disclose to ASX any information which it has, or becomes aware of, concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company. The Company's documents will also be made available on the Company's website.

Price-sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.9 ELECTRONIC PROSPECTUS

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from www.stepchangeholdings.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

10.10 PRIVACY STATEMENT

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your Application.

10.11 CHESS AND ISSUER SPONSORSHIP

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

11. Directors' Responsibility and Consent

The Directors state they have made all reasonable enquiries and on that basis have reasonable grounds to believe any statements made by the Directors in this Prospectus are not misleading or deceptive. In respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe persons making the statement or statements were competent to make such statements. Those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the Australian Securities and Investments Commission and has not withdrawn that consent.

Dated: 13 June 2025

Geoffrey Lewis
Non-Executive Chairman,
StepChange Holdings Limited

12. Glossary of General Definitions

In this Prospectus unless the context otherwise requires, the following definitions apply throughout:

1H FY24A	has the meaning given in Section 5.1.
1H FY25A	has the meaning given in Section 5.1.
AAS	means the Australian Accounting Standards.
AASB	means the Australian Accounting Standards Board.
Acquisition	means the acquisition by the Company of 100% of the shares in StepChange pursuant to the Acquisition Agreement.
Acquisition Agreement	has the meaning given in Section 9.2.
AEST	means Australian Eastern Standard Time.
Affiliate	has the meaning given in Section 9.3.1.
Aggregated Pro Forma Forecast Cash Flows	has the meaning given in Section 5.1.
Aggregated Pro Forma Historical Cash Flows	has the meaning given in Section 5.1.
Aggregated Pro Forma Historical Statement of Financial Positions	has the meaning given in Section 5.1.
Agreement	has the meaning given in Section 9.4.8.
Applicant(s)	means a person(s) who submits a valid Application Form.
Application	means an application for Shares under the Offer.
Application Form	means the application form provided to you by your Broker in connection with this Prospectus relating to the Offer.
Application Monies	means the amount of monies accompanying an Application Form submitted by the Applicant.
Appointment Letters	has the meaning given in Section 9.4.1.
ASIC	means the Australian Securities and Investment Commission.
ASX	means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Limit	has the meaning given in Section 9.4.6.
ASX Listing Rules or Listing Rules	means the Listing Rules of ASX.
ASX Settlement Operating Rules	means the operating rules of ASX Settlement Pty Ltd (ACN 008 504 532).

AUD	means Australian dollars.
Average Peer TSR	has the meaning given in Section 9.4.5.
Awards	has the meaning given in Section 9.4.6.
BHP	means BHP Group Limited (ACN 004 028 077).
BHP Terms	has the meaning given in Section 9.3.2.
Board	means the board of Directors.
Broker	means an ASX participating organisation selected by the Lead Manager and Underwriter to participate in the Broker Firm Offer.
Broker Firm Offer	means the offer to apply for Shares under this Prospectus, which is made to clients of Brokers who have received an invitation from their Broker to participate (full details of which are set out in Section 2.3.2).
Business	means the business operated by StepChange, as summarised in Section 1.3.
Business Day	means a day on which ASX is open for trading in securities and banks are open for general banking business in Western Australia.
CAGR	means compound annual growth rate.
Cashless Exercise Facility	has the meaning given in Section 9.4.6.
CBH	means Co-operative Bulk Handling Limited.
CBH Agreement	has the meaning given in Section 9.3.3.
CHESS	means the ASX Clearing House Electronic Subregistry System as described in Section 10.11.
Closing Date	means the closing date of the Offer as set out in the indicative timetable on page 11 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).
Collateral	has the meaning given in Section 9.4.8.
Condition	has the meaning given in Section 2.16.
Consideration Shares	means a total of 37,500,000 Shares to be issued to the Vendors or their nominees (collectively) at Settlement.
Constitution	means the constitution of the Company.
Corporations Act	means the Corporations Act 2001 (Cth).
Common Use Agreement	has the meaning given in Section 9.3.4.
Company	means StepChange Holdings Limited (ACN 678 129 756).
Company TSR	has the meaning given in Section 9.4.5.
Directors	means the directors of the Company at the date of this Prospectus.
DvP	has the meaning given in Section 2.3.1.
Earn-out Consideration	has the meaning given in Section 9.2.19.2.1(c).
EBITDA	means earnings before interest, taxes, depreciation and amortisation.
ECC or SAP ECC	means SAP's legacy solution ERP Central Component.
Eligible Jurisdiction	means a jurisdiction in which the Offer is being made, being Australia, New Zealand, Hong Kong, Singapore and the United Kingdom.

ERP or Enterprise Resource Planning	means a software system that assists organisations with streamlining their core business processes with a unified view of activity.
Escrow Deed	means a voluntary escrow deed in respect of Escrowed Shares as set out in Section 10.2.
Escrow Period	means the period of 12 months commencing on and from the Settlement Date.
Escrowed Shares	means those Shares of the Escrowed Shareholders retained immediately following completion of the Offer and the Acquisition which are subject to an Escrow Deed.
Escrowed Shareholder	means each Shareholder set out in Section 10.2.
Exposure Period	means the 7 day period after the Prospectus has been lodged with ASIC.
Financial Information	has the meaning given in Section 5.1.
First Milestone Payment	has the meaning given in Section 9.4.8.
Forecast Financial Information	has the meaning given in Section 5.1.
Forecast Period	has the meaning given in Section 5.6.
FY	means a period of 12 months commencing on 1 July and ending on 30 June.
FY22A	has the meaning given in Section 5.1.
FY23A	has the meaning given in Section 5.1.
FY24A	has the meaning given in Section 5.1.
FY25AF	has the meaning given in Section 5.1.
FY26F	has the meaning given in Section 5.1.
Group	means the Company and its Related Bodies Corporate (including StepChange).
Group Company	means a member of the Group.
Government Agency	means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency, bureau, municipal, board, stock exchange authority, instrumentality or entity in any jurisdiction.
Historical Financial Information	has the meaning given in Section 5.1.
HSS	means Health Support Services.
Indemnified Parties	has the meaning given in Section 9.1.3.
Institutional Investor	means an investor in Australia who is a "wholesale client" for the purpose of section 761G of the Corporations Act and who is either a "sophisticated investor" or "professional investor" under sections 708(8) and 708(11) of the Corporations Act respectively.
Institutional Offer	means the offer of Shares to institutional investors set out in Section 2.3.
IAP	has the meaning given in Section 9.4.6.
IAP Offer	has the meaning given in Section 9.4.6.

IP	means intellectual property.
IPO	means the initial public offering of Shares under this Prospectus.
IT	means information technology.
Key Employees	means Jason Nesa and Kim Carroll.
Key Management Personnel	has the meaning given in the Listing Rules.
Lead Manager and Underwriter	means Ord Minnett.
Lead Manager and Underwriter Fee	means the fee payable by the Company to the Lead Manager and Underwriter pursuant to the terms of the Underwriting Agreement.
Listing	means admission of the Company to the Official List of ASX and quotation of the Shares on ASX.
Market Sector Report	means the Market Sector Report prepared by Frost & Sullivan and included in this Prospectus at Section 4.
McGrathNicol Transaction Advisory	means McGrathNicol Transaction Advisory Pty Ltd.
Notice of Exercise	has the meaning given in Section 9.4.6.
Offer	means the offer described in Section 2.1, being collectively the Broker Firm Offer and the Institutional Offer.
Offer Price	means $0.20 per Share under the Offer.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the Listing Rules.
Opening Date	means the opening date of the Offer as set out in the indicative timetable on page 11.
Options	has the meaning given in Section 9.4.5.
Ord Minnett	means Ord Minnett Limited (ACN 002 733 048).
Pro Forma Adjustments	has the meaning given in Section 5.4.3.
Pro Forma Financial Information	has the meaning given in Section 5.1.
Pro Forma Forecast Income Statements	has the meaning given in Section 5.1.
Pro Forma Historical Income Statements	has the meaning given in Section 5.1.
Prospectus	means this replacement prospectus.
Recommendations	has the meaning given in Section 8.6.
Related Bodies Corporate	has the meaning given in section 50 of the Corporations Act.
Relevant Period	has the meaning given in Section 9.4.5.
SAP	means SAP Australia Pty Ltd (ACN 003 682 504) and its products and service offerings , as the context requires.

Second Milestone Payment	has the meaning given in Section 9.4.8.
Secondary Offer	means the offer of the Consideration Shares in accordance with the Acquisition Agreement, the terms of which are set out in Section 2.4.
Section	means a section of this Prospectus.
Settlement	means completion of the Acquisition in accordance with the Acquisition Agreement.
Settlement Date	means the date of Settlement.
Share	means a fully paid ordinary share in the capital of the Company.
Share Registry	means Automic Share Registry.
Shareholder	has the meaning given in Section 10.1.1.
SMBs	has the meaning given in Section 3.2.3.
Statutory Financial Information	has the meaning given in Section 5.1.
Statutory Forecast Cash Flows	has the meaning given in Section 5.1.
Statutory Forecast Income Statements	has the meaning given in Section 5.1.
Statutory Historical Cash Flows	has the meaning given in Section 5.1.
Statutory Historical Income Statements	has the meaning given in Section 5.1.
Statutory Historical Statements of Financial Positions	has the meaning given in Section 5.1.
StepChange	means StepChange Consultants Pty Ltd (ACN 601 512 707).
STI Bonus	has the meaning given in Section 9.4.2 or 9.4.3 (as applicable).
Term Sheet	has the meaning given in Section 9.4.8.
Trading Day	has the meaning given in Section 9.1.2.
TSR	has the meaning given in Section 9.4.5.
Underwriting Agreement	means the underwriting agreement between the Company and the Underwriter pursuant to which the Underwriter agrees to underwrite the Offer, as set out in Section 9.1.
Vendors	means the current holders of all of the issued shares in the capital of StepChange, being the persons described as such in Section 9.2.1.
Woodside	means Woodside Energy Limited (ACN 051 372 671).
Woodside Agreements	has the meaning given in Section 9.3.1.
Woodside Australia Agreement	has the meaning given in Section 9.3.1.
Woodside Global Agreement	has the meaning given in Section 9.3.1.