

STEP ONE™

1H24 RESULTS PRESENTATION

STEP ONE

20 February 2024

Greg Taylor, CEO and Founder
Nigel Underwood, CFO

AGENDA

- 01 1H24 Results Highlights
- 02 1H24 Results Overview
- 03 1H24 Financial Summary
- 04 Market Context and Strategy
- 05 Outlook
- 06 Questions

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1H24 Results Highlights

Profitable growth

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Revenue
\$45.1m

Up 25.5% vs pcp

Gross Margin
81.2%

Up 0.5% vs pcp

Interim Dividend
4 cents per share

100% payout

Women's revenue¹
13% of Revenue

Up 44% vs pcp

EBITDA
\$10.1m

22.5% of revenue
Up 35.6% vs pcp

Cash
\$43.9m

Up 14.7% from Jun 23

**Average order value
(AOV)¹**
\$94.47

Up 4.7% vs pcp

Customers¹
1,540,000
182,000 New Customers

Up 23% on pcp²

1. sold revenue, excluding Amazon sales
2. 1,101,000 customers as at 31 December 2023

1H24 RESULTS OVERVIEW

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1H24 Operational Highlights

Partnership model to increase customer recruitment

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PRODUCT

- Growth of **Women's range** to 13% (1H23: 11%) of Revenue with the addition of the Seamfree range
- **Amazon** revenue growth to over 6% (1H23: 5%) of revenue
- Continued **Limited Edition Colour Drops** (LECs) at a slowed release rate
- **Inventory rationalisation** through upsell and promotions

MARKETING

- Channel expansion, including **partnership** with Surf Life Saving Australia (SLSA) and John Lewis (UK)
- Improved **upsell** offers and increased cart size
- **Tailoring of content** and channel to each market
- Increased focus on **customer recruitment** especially in the USA

PROCESSES & EXECUTION

- **First** Australian Clothing company with **FSC® certification** (FSC® C183245) and commenced joint promotions
- **AI** use to write numerous versions of ad copy before selecting the best version
- **3PL** duplication starting with the UK
- Improved capability to use the **customer database** as we access new customer sets through partnerships

Our purpose – enriching lives through daily comfort

Our Markets

A tailored strategy for each region

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AUSTRALIA

Focus areas:

- **SLSA** partnership. Evaluating additional partnerships
- **Sail GP** partnership for the Sydney race in 2024
- Clear messaging as to **'what problem does Step One solve'**
- **Expanded Women's** product range
- **Expanded channels** with Amazon. Evaluating additional channels.
- **Fewer LEC colour drops**, with focus on core colour range, whilst maintaining fun naming of the colours we do release



UK

Focus areas:

- **John Lewis** partnership
- Additional **3PL** capacity in UK
- **Building partnerships** to expand customer reach and brand credibility
- **UK specific influencer marketing**, including Joe Marler
- **Expanded Women's** product range
- **Expanded channels** with Amazon. Evaluating additional channels.
- **Fewer LEC colour drops**, with focus on core colour range, whilst maintaining country specific drops



USA

Focus areas:

- **Appointment of local expertise** to manage marketing content generation and channel management
- Focus on **lower cost customer acquisition channels** even if growth takes longer
- **Imposed stronger cost disciplines** during the scale phase
- **Expanded channels** with Amazon
- Evaluating timing to enter the **women's market**



**Our product appeal is universal –
but our strategy for each market requires a nuanced approach**

Partnerships

Investing in partnerships to expand brand reach

Global



Sail GP Sydney Race Feb 2024

- Global audience, growing in popularity and viewership
- Consistency with our sustainability message

FSC®

- FSC credentials promoted to sustainability audience

Amazon

- Pursing the Amazon Climate Pledge Friendly badge

Australia



Surf Life Saving Australia (SLSA)

- Partnership with an iconic brand with a bespoke SLSA print
- Discussions are being held with other respected membership organisations.

Licensing and Collaborations

- Targeting new customers through licensing opportunities
- Branded collaborations to increase audience

Broader distribution

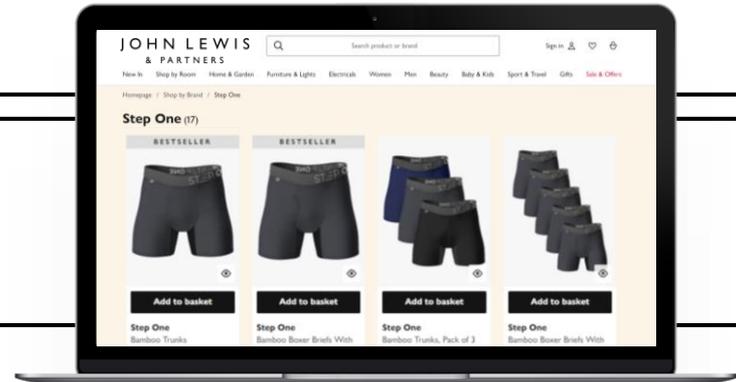
- Addition of other online retail channels

UK



John Lewis Online Store

Selling on John Lewis online store – January 2024
Additional 3PL capacity added to the UK market



Step One for Women

Growth of 44% on pcp to \$5.5m (1H23: \$3.8m)

- When the Women's line was introduced in January 2022, we increased our addressable market
- With the introduction of the SeamFree range, Step One provides a choice of underwear product suitable for every occasion
- Customer feedback suggests that our SeamFree range has exceeded the comfort expectations of even our most loyal customers
- Increasing production rates to meet the demand and replenish sold out lines
- New styles available on Amazon
- Evaluating the appropriate time to sell the women's range in the USA

WOMEN'S STYLES



SEAM FREE



Step One for Men

Functional underwear

- Created to solve the problems of traditional underwear with functional features to:
 - Anti-chafe tech
 - Reduce ride-up – avoiding the need for constant readjustment
 - Moisture wicking organic fabric - keep comfortable and fresher for longer
- Continued attention to our Men's product offering, which makes up 87% of sales. We reduced our colour release cadence, but we still have fun naming them
- Something for everyone sizes ranging from XS to 6XL
- A range of colours to suit many purposes/events and individual personality and preferences
- Product features resonate with customers globally, however the way we engage with them is tailored to each region
- Once you try them on, you won't go back! With 61% return purchase rate our customer recruitment challenge is to ensure we create the opportunity for new customers to try a pair

MEN'S STYLES

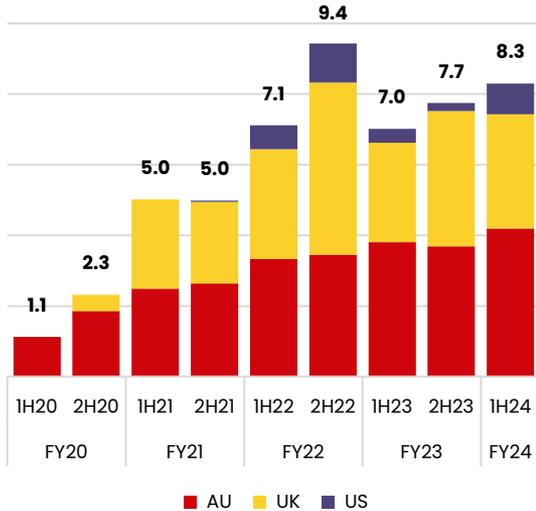


Strong Online Engagement

Continued customer database growth and increased conversion rate

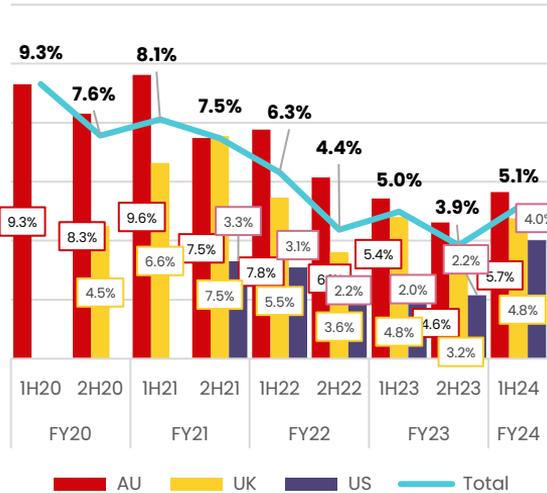
WEBSITE TRAFFIC

6 months, M, excl Amazon



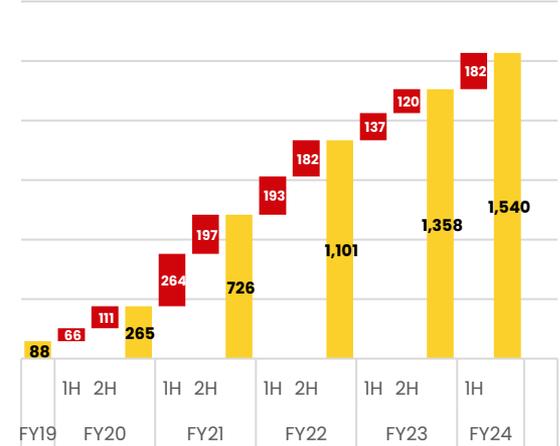
AVERAGE CONVERSION RATE

6 months, % excl Amazon



CUSTOMER DATABASE GROWTH

6 months, #'000, excl Amazon

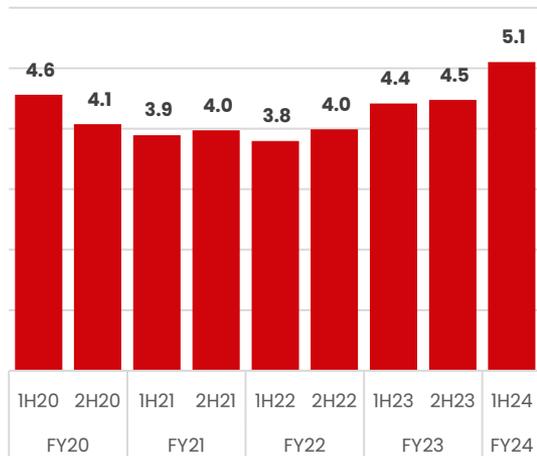


Value proposition remains strong

AOQ has increased indicating customer value proposition remains with customers who know the product

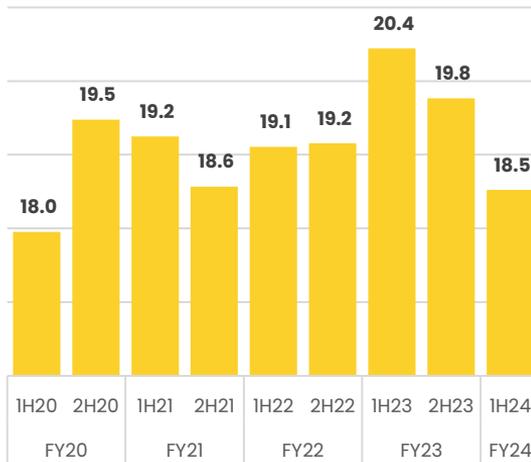
AVERAGE QUANTITY PER ORDER (AOQ)

6 months, #/order, excl Amazon



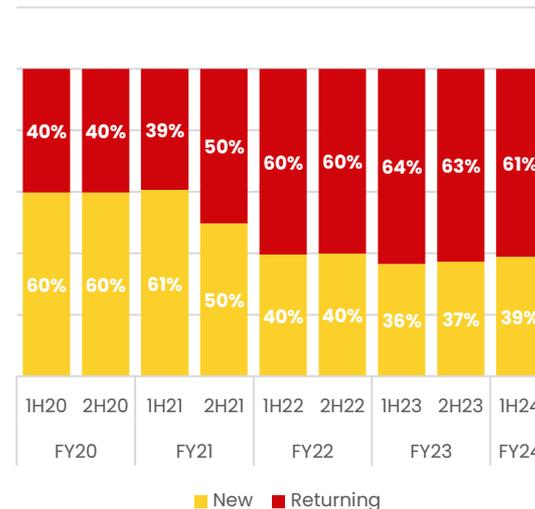
AVERAGE REVENUE PER ITEM (PRICE)

6 months, \$AUD/item, excl Amazon



CUSTOMER MIX¹

6 months, #/order, excl Amazon

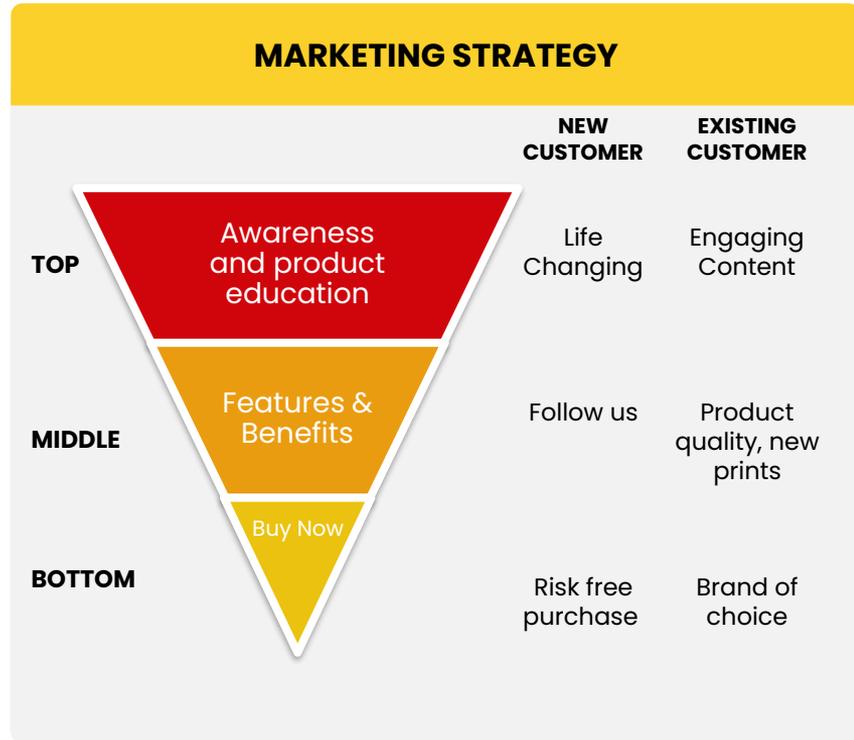


Source: Shopify

1. **Returning customer:** a customer who has at any point in time made a purchase based on order date. **New or First-time customer:** a customer who has not previously made a purchase based on order date

Importance of DTC model

Driving brand awareness while continuing to engage with loyal following
Marketing costs are not locked in to allow a pivot when required



A man with curly hair and sunglasses, wearing a red towel over his shoulder and red shorts with a yellow waistband, is smiling broadly. A woman in a white tank top and red shorts with a yellow waistband is holding his hand and looking at him. The background is a clear blue sky with some light clouds.

1H24 FINANCIAL SUMMARY

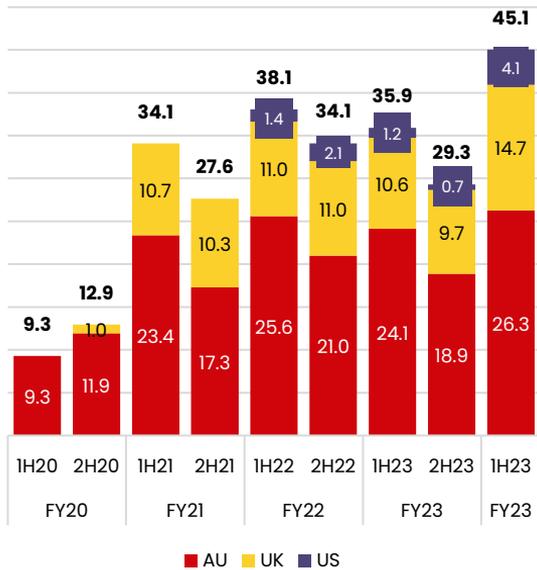
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Financial Highlights

Strong revenue and attractive gross profit margins in a difficult market

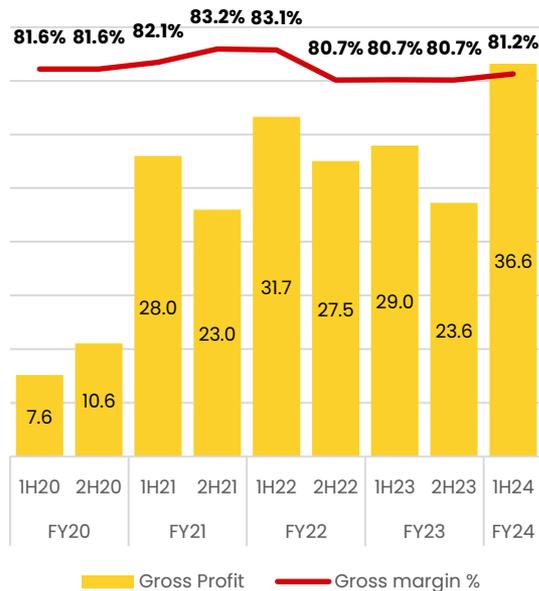
SALES REVENUE

6 months, \$M



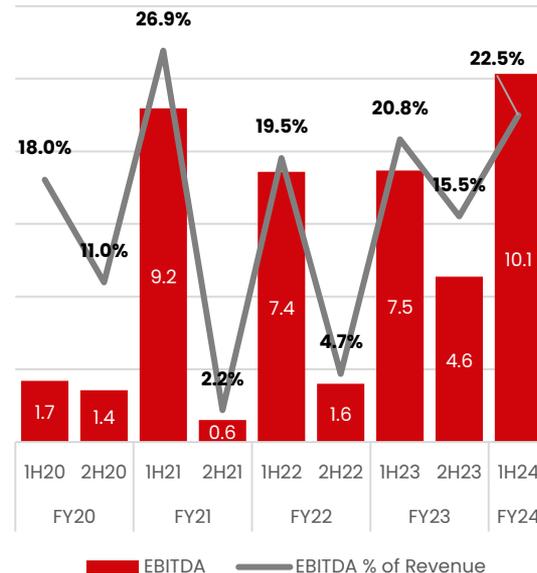
GROSS PROFIT

6 months, \$M/%



PROFORMA EBITDA¹

6 months, \$M/%



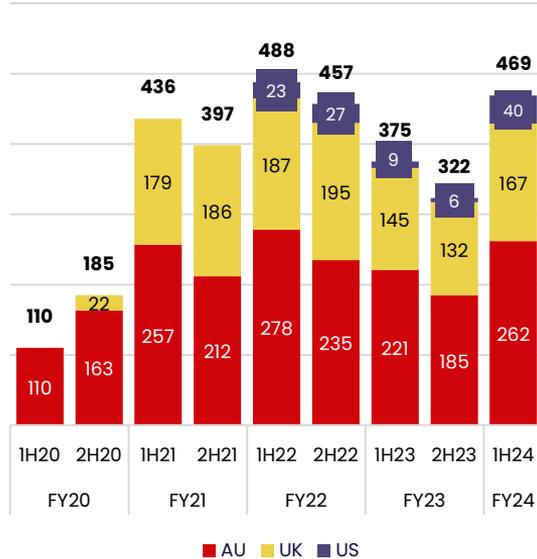
1. Includes proforma adjustments in comparative periods, details of which are provided on page 33. There are no proforma adjustments in FY23 or 1H24.

Strong Operational Metrics

Strong returning customer order rates demonstrates trust in our product

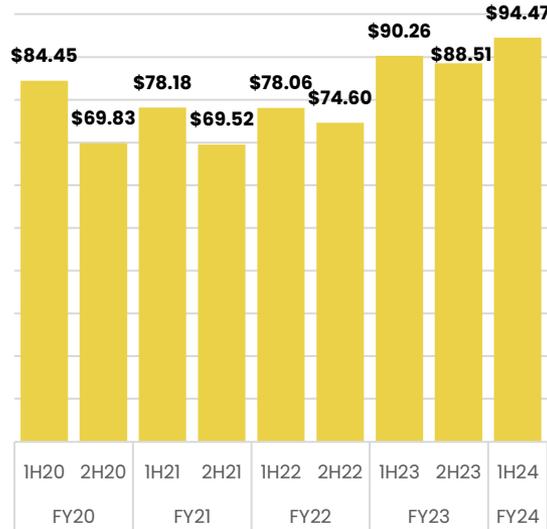
CUSTOMER ORDERS¹

6 months, #'000, excl Amazon



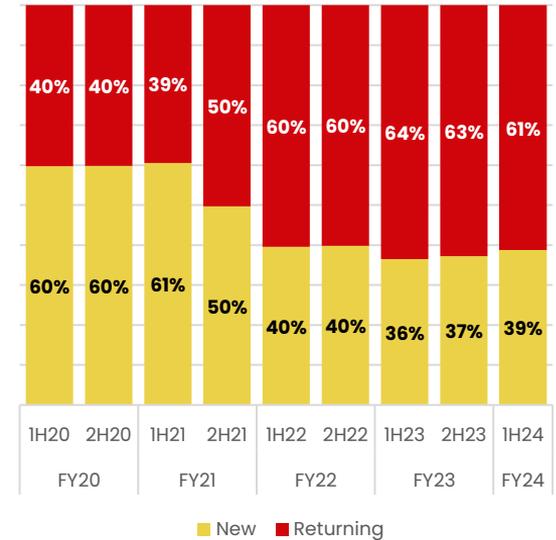
AVERAGE ORDER VALUE (AOV)²

6 months, \$ per Order, excl Amazon



CUSTOMER MIX³

6 months, #/order, excl Amazon



Source: Shopify

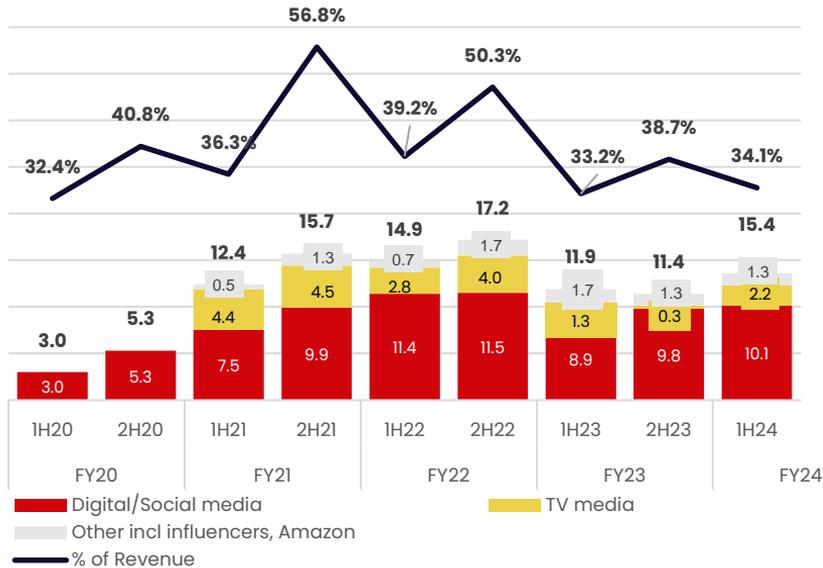
1. Based on Sold Orders/Revenue in period, which excludes period end revenue recognition adjustments 2. AOV reflects the average dollar amount spent each time a customer places an order on the Step One website based on order date. 3. **Returning customer:** a customer who has at any point in time made a purchase based on order date. **New or First-time customer:** a customer who has not previously made a purchase based on order date

Strong Operational Metrics

Marketing and advertising key to growing the business

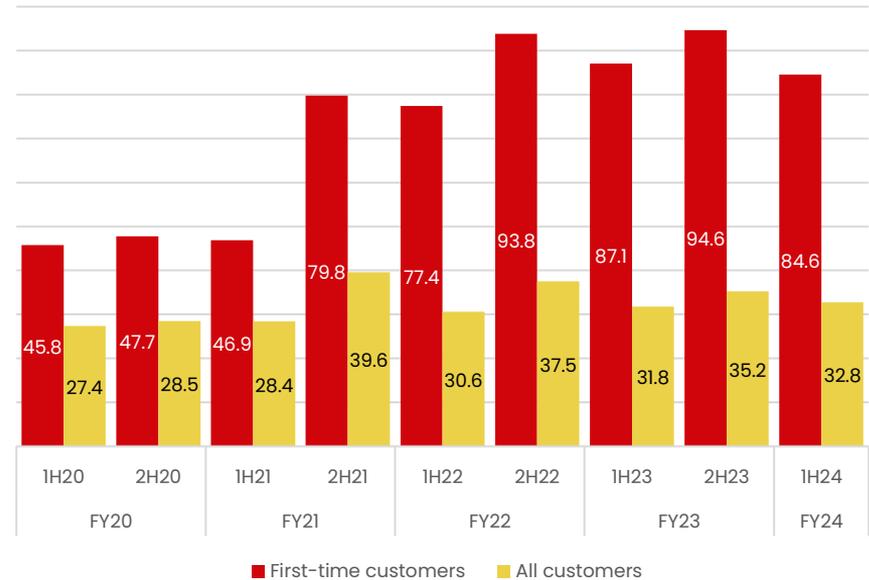
ADVERTISING^{1,2}

6 months, \$M/% of Revenue



COST TO ACQUIRE CUSTOMERS^{1,2,3,4}

6 months, \$ per customer order, excluding Amazon



Source: Management Accounts, Shopify

1. Adjusted retrospectively for proforma adjustments detailed on page 33. 2. 1H20 and 2H20 advertising 100% allocated to social media as split not available 3. 'All Customers' The total advertising and marketing costs divided by the total number of customer orders based on order date 4. 'First-time Customers' The total advertising and marketing costs divided by the new / first-time customer orders based on order date.

Income Statement

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	1H24	1H23	Movement	
	\$'000	\$'000	\$'000	%
Australia	26,264	24,113	2,151	8.9%
UK	14,652	10,619	4,033	38.0%
USA	4,136	1,161	2,975	256.2%
Revenue	45,052	35,893	9,159	25.5%
Cost of sales	(8,480)	(6,925)	(1,555)	22.5%
Gross profit	36,572	28,968	7,604	26.2%
Gross Margin %	81.2%	80.7%		0.5pcp
Advertising & marketing ¹	(15,379)	(11,916)	(3,463)	29.1%
Advertising as percent of revenue	34.1%	33.2%		0.9pcp
Distribution & fulfilment	(5,274)	(4,472)	(802)	17.9%
Distribution as percent of revenue	11.7%	12.5%		0.8pcp
Merchant and transaction fees	(1,643)	(1,262)	(381)	30.2%
Transaction fees as % of Revenue	4.5%	4.4%		0.1pcp
Contribution profit	14,276	11,318	2,958	26.1%
Contribution as percent of revenue	31.7%	31.5%		0.2pcp
Overhead	(4,146)	(3,846)	(300)	7.8%
EBITDA¹	10,130	7,472	2,658	35.6%
EBITDA as % of Revenue	22.5%	20.8%		1.7pcp
PBT¹	10,508	7,572	2,936	38.8%
Income tax expense	(3,401)	(2,297)	(1,104)	48.1%
Proforma NPAT²	7,107	5,275	1,832	34.7%
Proforma expense adjustments	0	0	0	-%
Proforma tax adjustments	0	0	0	-%
Statutory NPAT²	7,107	5,275	1,832	34.7%

COMMENTARY

- Revenue increased 25.5% on pcp from growth in each market
- Gross margin increased 0.5% on pcp, benefiting from work directed to reduce the inventory provision.
- Advertising was 34.1% of revenue, representing a minor increase on the 33.2% level in the pcp. This cost line remains a key focus area.
- Cost pressure on global logistics and distribution costs remain.
- Other costs support business growth including capability.

1. Earnings before Interest, Depreciation, Amortisation and Tax (EBITDA) is not a financial measure prescribed by the IFRS. It is reconciled to Profit Before Tax (PBT) in the ASX Appendix 4D.

2. There are no proforma adjustment in this, or the comparative, period. A reconciliation of historical proforma adjustments to Net Profit After Tax (NPAT) is provided on page 33.

Balance Sheet

	As at	As at	Variance	
	31 December 2023	30 June 2023	\$'000	%
ASSETS				
Current Assets				
Cash and cash equivalents	43,935	38,313	5,622	14.7%
Trade and other receivables	1,043	619	424	68.5%
Inventories	17,574	23,326	(5,752)	-24.7%
Other assets	1,374	1,248	745	118.4%
	63,926	62,887	1,039	1.7%
Non-current Assets				
Property, plant and equipment	571	74	497	671.6%
Intangibles	122	45	77	171.1%
Deferred tax assets	3,309	3,118	191	6.1%
	4,002	3,237	765	23.6%
Total assets	67,928	66,124	1,804	2.7%
LIABILITIES				
Current Liabilities				
Trade and other payables and GST	6,711	6,149	562	9.1%
Deferred revenue	3,297	1,341	1,956	11.6%
Income tax payable	2,022	1,300	722	55.5%
Other	471	231	241	104.3%
	12,502	9,021	3,481	38.6%
Non-current Liabilities				
Employee benefits and Lease Liability	216	30	186	620.0%
	216	30	186	620.0%
Total Liabilities	12,718	9,051	3,667	40.5%
Net Assets	55,210	57,073	(1,863)	-3.3%
EQUITY				
Issued capital	52,496	52,496	0	0.0%
Treasury Shares	(571)	(571)	0	0.0%
Reserves	742	481	261	54.3%
Retained profits/(accumulated losses) – pre-IPO	(4,762)	(4,762)	0	0.0%
Retained profits/(accumulated losses)	7,305	9,429	(2,124)	-22.5%
Total Equity	55,210	57,073	(1,863)	-3.3%

COMMENTARY

- Strong cash of \$43.9m with no debt
- Inventory reduced \$5.7m however \$0.5m of this was due to a reduced obsolescence provision. While inventory is not perishable or seasonal, the provision is required to assist in a reduction of the SKU range.
- Deferred revenue increased with a strong Boxing Day sale.
- A lease asset and liability was created when the lease for the business premises was extended for 24 months and AASB117 applied.
- Step One remains a capital light business model

Cash Flow Statement

	1H24	1H23	Variance	
	\$'000	\$'000	\$'000	%
Cash flows from operating activities				
Receipts from customers (inclusive of GST/VAT)	52,689	40,158	12,531	31.2%
Payments to suppliers and employees (inclusive of GST/VAT)	(35,333)	(39,656)	4,323	-12.2%
	17,356	502	16,854	97.1%
Interest received	458	111	347	75.8%
Income taxes paid	(2,870)	(2,063)	(807)	28.1%
Net cash from/(used in) operating activities	14,944	(1,450)	16,394	109.7%
Cash flows from investing activities				
Purchases of equipment and intangibles	(215)	(50)	(82)	-76.7%
Net cash from/(used in) investing activities	(215)	(50)	(82)	-76.7%
Cash flows from financing activities				
Dividends paid	(9,231)	0	(9,231)	100.0%
Repayment of lease	(30)	0	(30)	100.0%
ESOP Shares	0	0	0	100.0%
Net cash from/(used in) financing activities	(9,261)	0	(9,261)	100.0%
Net increase in cash and cash equivalents	5,468	(1,500)	6,968	127.4%
Cash and cash equivalents at the beginning of the financial year	38,313	34,110	4,203	-11.0%
Effects of exchange rate changes on cash and cash equivalents	154	(60)	214	139.0%
Cash and cash equivalents at the end of the financial year	43,935	32,550	11,385	25.9%

COMMENTARY

- Cash receipts increased in line with revenue increase
- Cash outflows were favourably impacted by a reduction in inventory
- Intangibles include a lease asset (from entering a property lease of 24 months) and purchases of a number of URLs including stepone.com
- A dividend of \$9.2m was paid
- Capital light business model

MARKET STRATEGY



Strategy

Global growth opportunity

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MARKET SIZE¹

Every person needs underwear

- USA \$6.2b
- UK Men's \$1.5b
UK Women's \$3.6b
- AU Men's \$0.6b
AU Women's \$1.1b

CAPITAL LIGHT

Low capital invested

- **Ownership of Brand**, designs, and personality
- **Specialists** manage manufacturing, warehousing and logistics ensuring high quality and lowest cost
- Class leading SaaS systems support the operation

PARTNERSHIPS

Engage in partnerships

- Grow brand presence on established **market places** and access a large customer pool
- Evaluate other online or retail **partnerships** on their commercial merits and alignment in areas including customer service and ESG
- Establish partnerships with organisation with large employee or membership base

PRODUCT ADJACENCIES

Natural adjacencies to men's underwear including:

- **Expand target customer** incl a broader range of Women's products
- **Expand product range** within the innerwear category

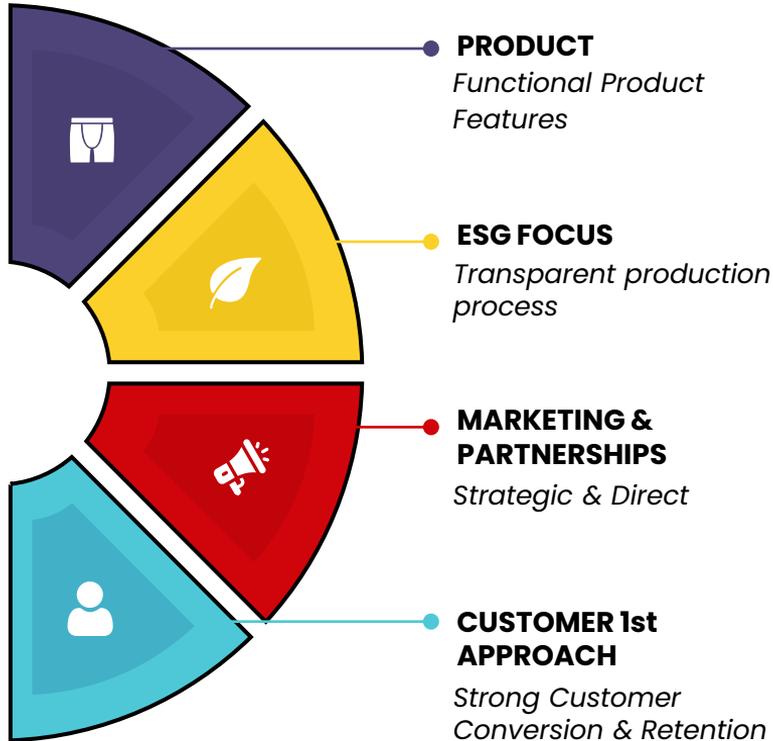
Customers love our product – we just have to let them know it's available and get it in their hands

¹ Frost & Sullivan *The Men's and Women's Underwear Markets, July 2021*

Business Model

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Step One is built on an innovative product and customer engagement model with a strong ESG focus

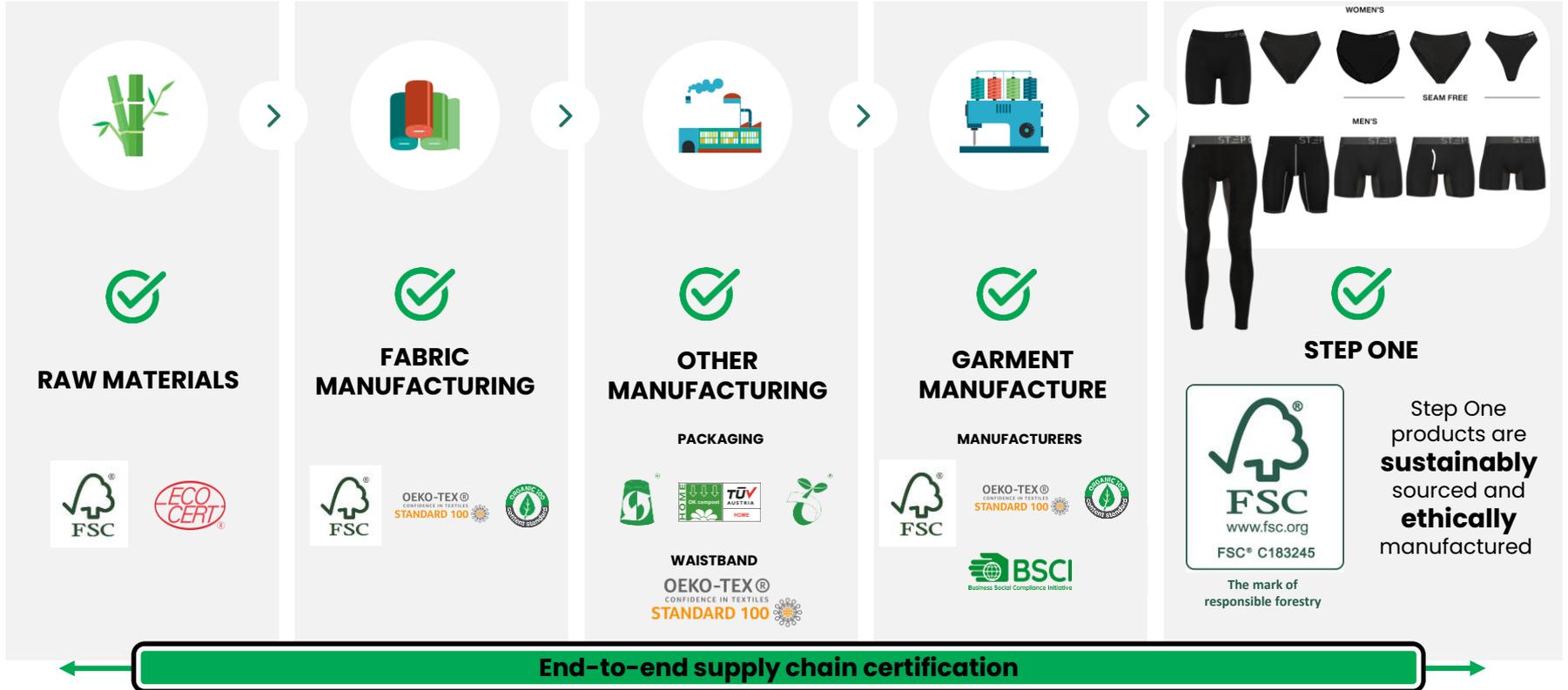


- UltraGlyde® panels
- Elastic 3D pouch
- Organically grown Eco-Cert Bamboo
- **FSC® certification** of supply chain
- **Organically grown** Bamboo from responsible sources
- Strict **ethical manufacturing** across supply chain
- **Minimise** carbon footprint
- **In-house capability** producing video, content & marketing
- Skills managing **content localisation** or local production
- Intelligent management of **paid media, social media & influencer** channels
- Marketplaces like Amazon to expand customer reach
- Partnerships to expand customer acquisition
- **30-Day First Pair Guarantee** which allows a full refund on a first purchase
- **Free shipping** available
- **12-month** manufacturing warranty
- **Rapid** customer service response

Sustainable and Ethical Supply chain

Our ESG credentials are baked into our entire product lifecycle, from inception to delivery

Step One is the first Australian clothing label to be certified by the FSC®



1. Certification of the Step One brand applies only to new product produced post certification in late 2022. Certification is subject to annual compliance audits.

**LOOKING
FORWARD**



STEP ONE™

Looking forward

Step One will continue to seek profitable growth



Profitable growth



Expanding the customer funnel



Expanding our range



Investing in technology and customer retention



Continuous improvement in customer experience



Expanding sales channels and marketplaces

Thank You! Q+A

Browse our product range on www.stepone.life while we are talking

4.7

14,330 reviews¹



PRODUCT REVIEW .COM.AU

4.4

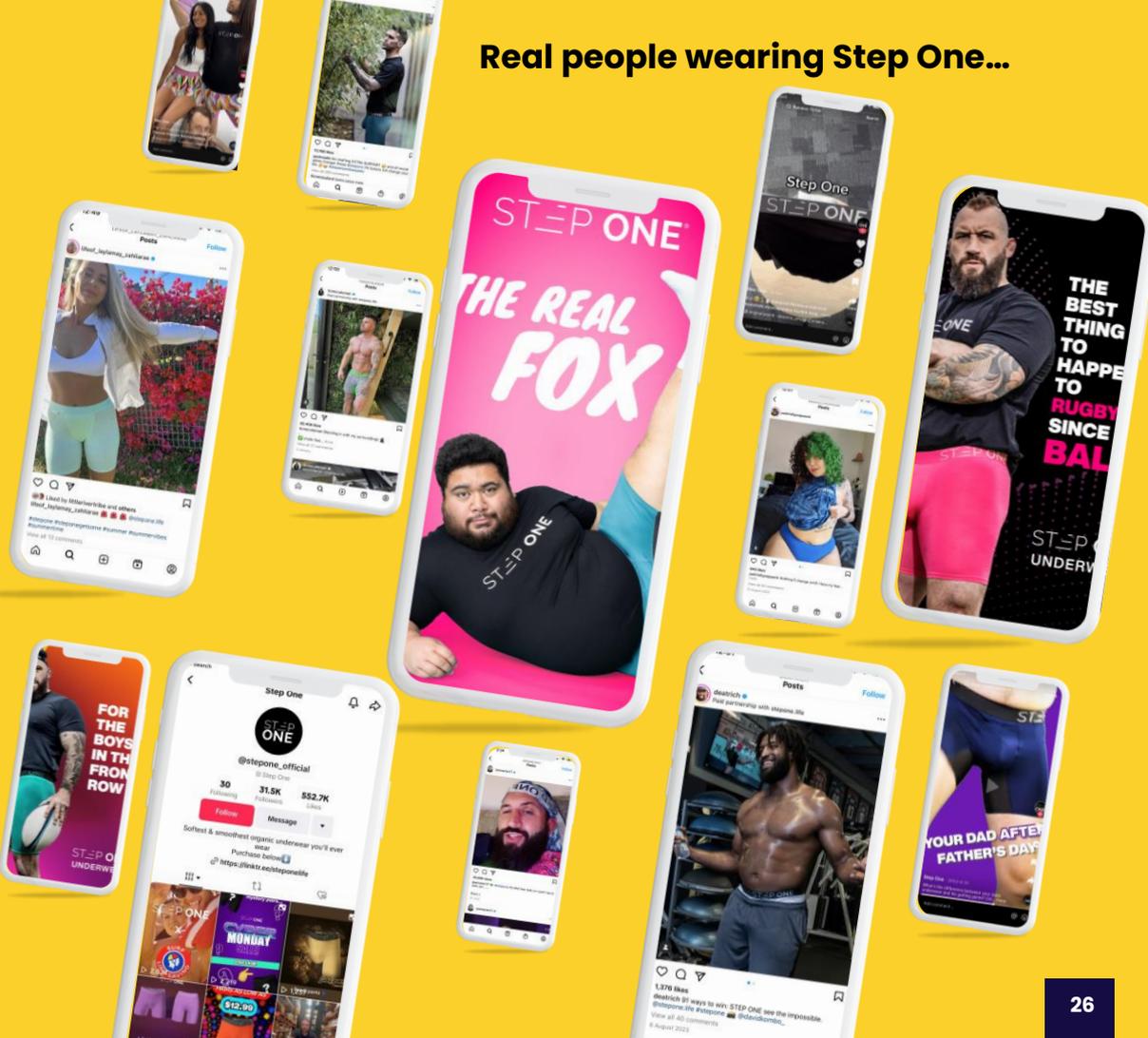
34,494 reviews¹



Trustpilot

¹ Customer reviews taken from respective websites as at 16 February 2024.

Real people wearing Step One...



APPENDIX



STEP ONE™

Product Features

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Step One underwear is design focused – with UltraGlyde panels, comfort pouches, and comfortable viscose made from Bamboo fabric – it has revolutionised the underwear market for all genders

3D STRETCH POUCH

- Hidden **3D Elastic Pouch** keeps 'the boys' supported
- Less skin to leg contact reduces sweat and maintains comfort
- Elastic stretches to fit any man regardless of size

VISCOSE MADE FROM BAMBOO FABRIC

- **Wicks away sweat** and has excellent breathing qualities
- Organically grown bamboo plantations (eco-cert)
- Naturally irrigated & no pesticides used during growth

ULTRAGLYDE PANELS

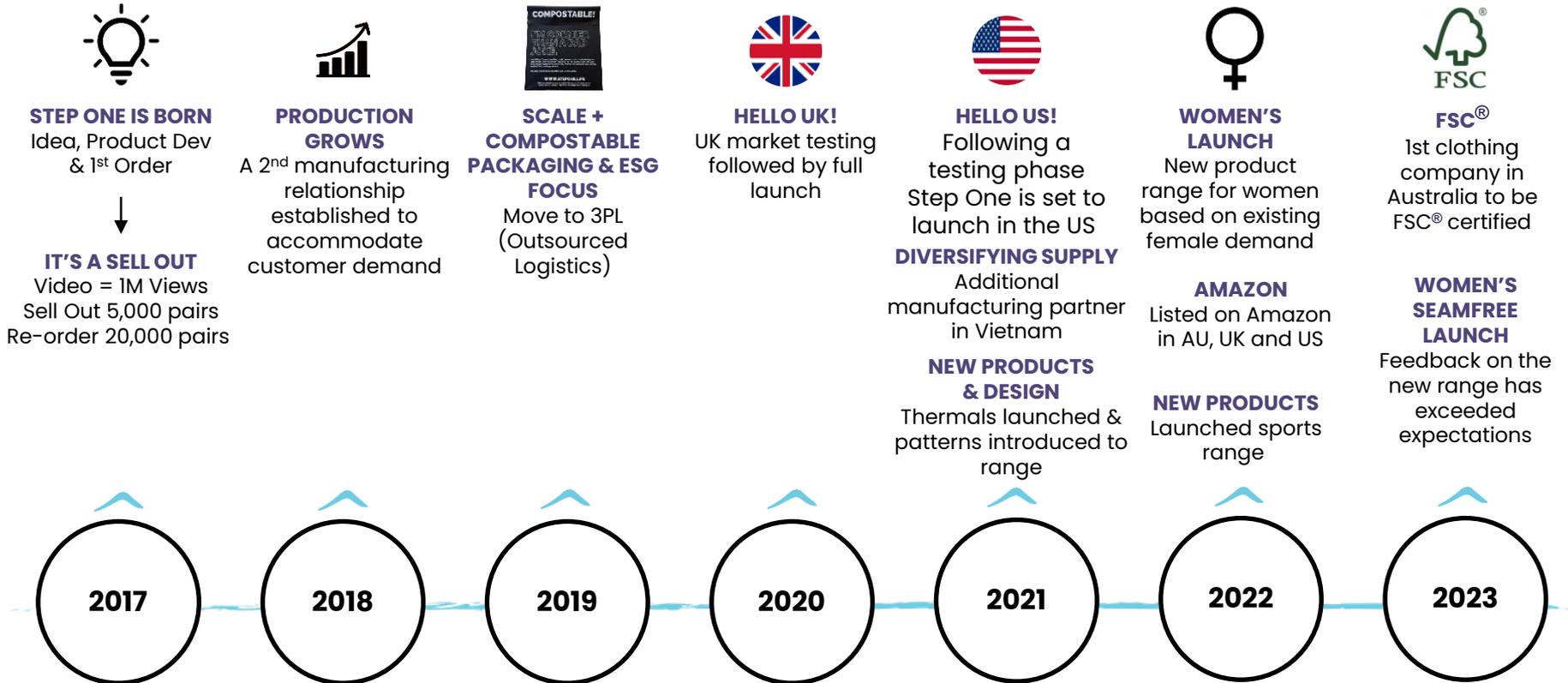
- **Reduces friction, reduces chafing** and reduces the dreaded ride up
- Ensures maximum comfort as thighs glide

SOFT AND SUPPORTIVE

- Construction from single piece of fabric
- **Luxurious feel from** breathable fabric
- Soft and supportive waistband
- No visible panty line (VPL)

A Brief History of Step One

Founder-led business with highly scalable model & strong track record of growth



Flexible Production Cycle

A highly flexible production cycle which can be managed to meet demand

Production facilities in China and Vietnam:

- Maintain **flexibility** across production cycle
- **Mitigate risk** of disruption in one of the jurisdictions
- **Support continued growth** of the business

Delays in global export logistics are affecting shipping, offloading & transfer to warehouse, putting pressure on days to market for colour releases. FY23 saw improvements in shipping times, which are expected to improve further in FY24



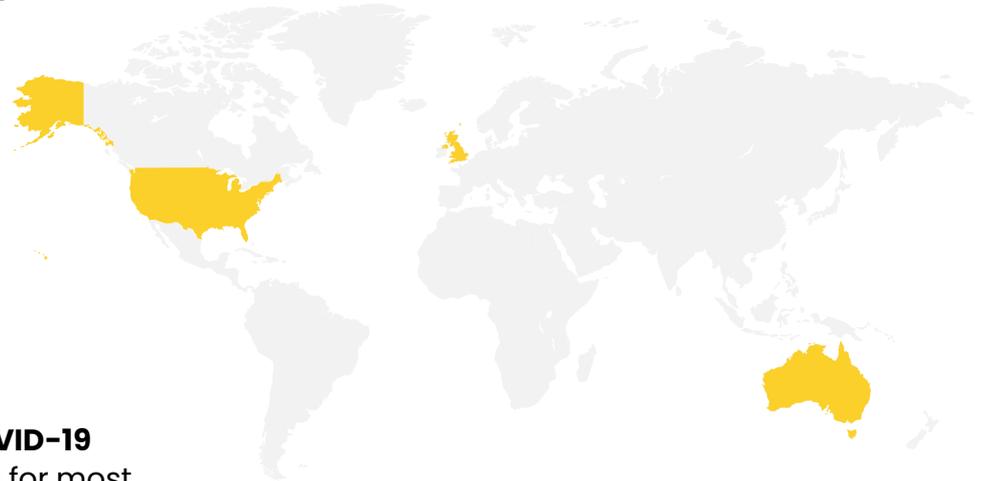
- **Flexible production cycle** that allows us to amend the order throughout the process right up to export

1. Worldwide air freight delivery timeline of 7-12 days normally available if required

Local Distribution

Local warehousing and fulfilment for prompt customer delivery

- **Product is warehoused in each country with 3PLs in Australia East Coast, UK East Coast & USA West Coast**
- **3PLs manage all inventory & logistics in each country**
 - Receive product from the port of entry
 - Receipt product into their warehousing systems
 - Secure storage & management
- **Targets next business day fulfillment**
 - Direct connection with Step One's selling system
 - Daily pick & pack (business day)
 - Management of returns & exchanges
- **Last mile reliant on local distribution services which experienced significant delays relating to COVID-19**
 - National postal services plus private services used for most deliveries including express options (Australia Post, Royal Mail, UPS & USPS)
 - Other express delivery options used as required



Proforma Income Statement

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	FY20		FY21		FY22		FY23		FY24
\$'000	1H20	2H20	1H21	2H21	1H22	2H22	1H23	2H23	1H24
Australia	9,304	11,943	23,359	17,309	25,601	20,995	24,113	18,893	26,264
UK	0	1,000	10,726	10,323	11,031	11,013	10,619	9,748	14,562
USA	0	0	0	0	1,444	2,103	1,161	650	4,136
Revenue	9,304	12,943	34,085	27,632	38,076	34,111	35,893	29,291	45,052
Cost of sales	(1,713)	(2,383)	(6,094)	(4,638)	(6,424)	(6,590)	(6,925)	(5,655)	(8,480)
Gross profit	7,591	10,560	27,991	22,994	31,652	27,521	28,968	23,291	36,572
Gross Margin %	81.6%	81.6%	82.1%	83.2%	83.1%	80.7%	80.7%	80.7%	81.2%
Advertising & marketing	(3,014)	(5,280)	(12,378)	(15,696)	(14,930)	(17,159)	(11,916)	(11,350)	(15,379)
Advertising as % of Revenue	32.4%	40.8%	36.3%	56.8%	39.2%	50.3%	33.2%	38.7%	34.1%
Distribution & fulfilment	(636)	(1,118)	(3,057)	(3,137)	(4,415)	(4,431)	(4,472)	(3,852)	(5,274)
Distribution as % of Revenue	6.8%	8.6%	9.0%	11.4%	11.6%	13.0%	12.5%	13.2%	11.7%
Merchant & transaction fees	(177)	(499)	(736)	(666)	(947)	(910)	(1,262)	(900)	(1,643)
Transaction fees as % of Revenue	1.9%	3.9%	2.2%	2.4%	2.5%	2.7%	3.5%	3.1%	3.6%
Contribution profit	3,764	3,663	11,820	3,495	11,360	5,021	11,318	7,534	14,276
Contribution as % of Revenue	40.5%	28.3%	34.7%	12.6%	29.8%	14.7%	31.5%	25.7%	31.7%
Employee & contractor related expenses	(671)	(884)	(888)	(1,007)	(1,399)	(1,628)	(1,999)	(2,307)	(1,926)
Share based payments	(180)	(180)	(180)	(180)	(180)	(34)	(165)	50	(107)
Other operating expenses	(1,236)	(1,223)	(1,573)	(1,776)	(1,950)	(1,411)	(1,682)	(1,614)	(1,605)
Proforma Overhead	(2,087)	(2,287)	(2,641)	(2,963)	(3,529)	(3,073)	(3,846)	(3,871)	(3,638)
Foreign Exchange	0	0	(74)	97	(394)	(367)	1	887	(508)
Other non-operating income	2	46	74	(28)	(3)	17			
Proforma EBITDA	1,679	1,422	9,179	601	7,434	1,598	7,473	4,550	10,130
EBITDA as % of Revenue	18.0%	11.0%	26.9%	2.2%	19.5%	4.7%	20.8%	15.5%	22.5%
Depreciation & amortisation & interest	(1)	0	0	(5)	(3)	9	100	315	378
Proforma PBT	1,678	1,422	9,179	596	7,431	1,607	7,573	4,865	10,508
Income tax expense	(446)	(378)	(3,063)	(198)	(2,462)	(1,249)	(2,298)	(1,524)	(3,401)
Proforma NPAT	1,232	1,044	6,116	398	4,969	358	5,275	3,341	7,107
Proforma expense adj	1,008	931	(1,456)	(5,171)	(9,963)	650	0	0	0
Proforma tax adjustments	(292)	(325)	(96)	91	1,178	(195)	0	0	0
Statutory NPAT / (NLAT)	1,948	1,650	4,564	(4,682)	(3,816)	813	5,275	3,341	7,107

COMMENTARY

- No proforma adjustments made in FY23 or 1H24
- Proforma financial information has been prepared for comparative analysis
- The nature of the proforma adjustments required in previous years are provided on the next page

Proforma Adjustments

	FY20		FY21		FY22		FY23		FY24
	1H20	2H20	1H21	2H21	1H22	2H22	1H23	2H23	1H24
\$'000									
Statutory NPAT / (NLAT)	1,948	1,650	4,564	(4,682)	(3,816)	813	5,275	3,341	7,107
<i>Less Costs</i>									
- share based payments	0	133	2,967	4,900	6,076	0	0	0	0
- IPO costs	0	0	0	605	3,927	0	0	0	0
- legal fees	0	0	0	1,004	394	(650)	0	0	0
- other one-off costs	504	447	0	90	0	0	0	0	0
<i>Add Costs</i>									
- management & admin costs	(471)	(471)	(471)	(389)	0	0	0	0	0
- executive share-based payments	(180)	(180)	(180)	(180)	0	0	0	0	0
- public company costs	(860)	(860)	(860)	(860)	(434)	0	0	0	0
	940	719	6,020	488	6,147	163	5,275	3,341	7,107
Proforma Tax Adjustment	292	325	96	(90)	(1,178)	195	0	0	0
Proforma NPAT	1,232	1,044	6,116	398	4,969	358	5,275	3,341	7,107

COMMENTARY

- No proforma adjustments made in FY23 or 1H24
- Proforma financial adjustments enable appropriate 'like-for-like' comparison
- Proforma adjustments represent a deviation from Accounting Standards

Retained Earnings and Dividends

\$'000	Pre-IPO	Post-IPO	Total	Proforma
Proforma Retained Earnings	13,360			13,360
Proforma adjustment for PSU which did not Share-based payments treatment	(13,770)			
Proforma adjustment for IPO costs that were expensed	(4,352)			
Pre-IPO Retained Earnings was taken as earnings prior to 31 December 2021	(4,762)		(4,762)	
Earnings in prior periods		9,429	9,429	9,429
Dividend Paid		(9,231)	(9,231)	(9,231)
Earnings 1H24		7,107	7,107	7,107
Retained Earnings	(4,762)	7,305	2,543	20,665
Proposed Dividend	-	(7,414)	(7,414)	(7,414)
Retained Earnings post Dividend	(4,762)	(109)	(4,871)	13,251

COMMENTARY

- The dividend will be paid predominantly from post IPO retained earnings
- Dividend policy is approximately 100% of earnings in the period

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