

# STEP ONE™

## **1H26 RESULTS PRESENTATION**

mal use only

# 1H26 RESULTS HIGHLIGHTS

Reset

## Revenue

\$36.3m

Down 24.5% vs pcp

## Gross Margin

Reported 43.1%  
Adjusted<sup>1</sup> 73.2%

Reported down 34.9 pp  
Adjusted<sup>1</sup> down 4.8 pp

## Women's Revenue<sup>2</sup>

14.8% of Revenue

Down 31.5% vs pcp

## Indirect Revenue<sup>3</sup>

18.3% of Revenue

Up 75.9% vs pcp

## EBITDA<sup>1</sup>

Reported Loss -\$10.0m  
Adjusted<sup>1</sup> Profit +\$1.0m

Reported down \$21.1m vs pcp  
Adjusted<sup>1</sup> down \$10.2m vs pcp

## Cash & Financial Assets

\$24.0m

Down 27.5% from Jun 25

## Advertising

31.2% of Revenue

Up 2.2 pp vs pcp

## New Products

3 new products released

<sup>1</sup> Refer page 13 for calculation of EBITDA that adds back the movement in the inventory obsolescence provision

<sup>2</sup> Sold revenue, excluding Amazon, Tik Tok, John Lewis, Iconic, Decathlon and eBay sales

<sup>3</sup> Indirect Revenue includes revenue from sales on Amazon, Tik Tok Shop, John Lewis, Iconic, Decathlon and eBay

# GROWTH STRATEGY

Growth from range expansion and increased brand marketing

## PRODUCTS & RANGE



Develop quality, comfortable new products that build on our core range:

- Expand into logical adjacencies
- Expand product range beyond bamboo fabric where customer demand supports it

## CUSTOMER ACQUISITION



Recruit new customers through consistent, brand-led advertising:

- Position as a comfortable and quality brand
- Increased brand investment with a focus on marketing efficiency

## INDIRECT CHANNELS



Growth through trusted and established retail and ecommerce channels:

- Expand selectively with aligned partners
- Maintain brand integrity and margin discipline

## FOOTPRINT



Maintain presence in global markets where there is demand, leveraging expertise and product development:

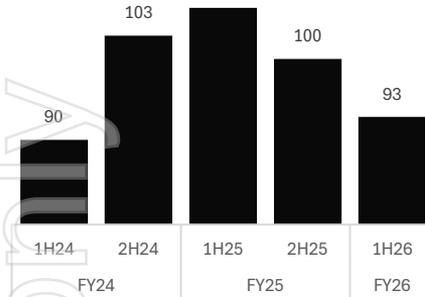
- Prioritising sustainable growth with improving profitability
- Digitally focused UK strategy, with a disciplined approach to the US

# FINANCIAL AND PERFORMANCE CHARTS

Average Order Value  
Direct Business

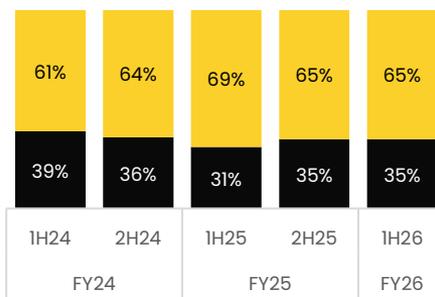
\$/order

106

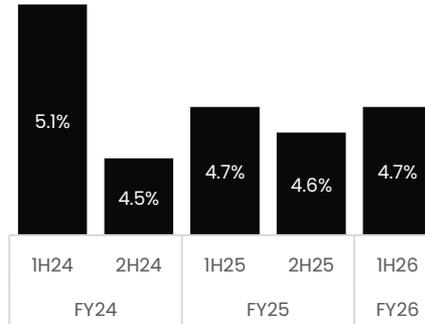


Customer Mix  
Direct Business

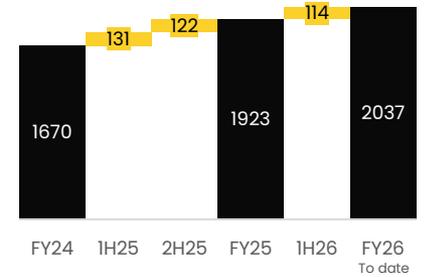
■ New ■ Returning



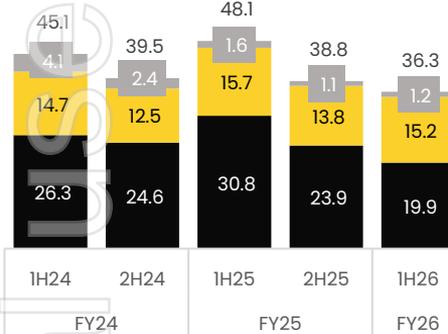
Conversion Rate  
Direct Business



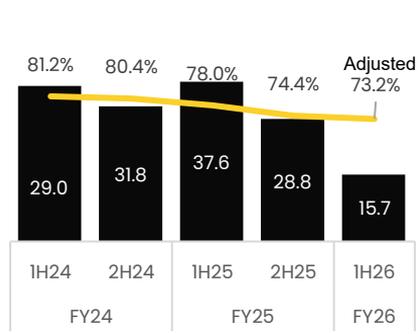
Customer Database  
Direct Business  
# '000



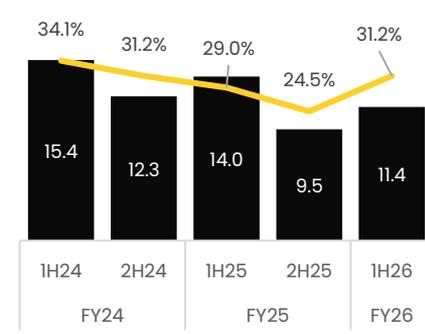
Revenue  
\$m



Gross Profit  
\$m/% of Revenue



Advertising Cost  
\$m/% of Revenue



EBITDA  
\$m/% of Revenue



■ AU ■ UK ■ US

Direct Business information relates to sold direct revenue, excluding Amazon, Tik Tok and John Lewis sales. Refer slide 13 for calculation of the Adjusted Gross Profit Margin in 1H26.

# INCOME STATEMENT

	1H26	1H25	Movement	
	\$'000	\$'000	\$'000	%
Australia	19,875	30,847	(10,972)	-35.6%
UK	15,245	15,675	(430)	-2.7%
USA	1,210	1,596	(386)	-24.2%
<b>Revenue</b>	<b>36,330</b>	<b>48,118</b>	<b>(11,788)</b>	<b>-24.5%</b>
Cost of sales	(9,741)	(10,568)	827	-7.8%
Provision movement	(10,933)	0	(10,933)	-%
<b>Gross profit</b>	<b>15,656</b>	<b>37,550</b>	<b>(21,894)</b>	<b>-58.3%</b>
Gross margin %	43.1%	78.0%		-34.9 pp
Adjusted <sup>1</sup> Gross Margin %	73.2%	78.0%		-4.8 pp
Advertising & marketing <sup>1</sup>	(11,351)	(13,969)	2,618	-18.7%
Advertising as percent of revenue	31.2%	29.0%		2.2 pp
Distribution & fulfilment	(7,502)	(6,602)	(900)	13.6%
Distribution as percent of revenue	20.6%	13.7%		6.9 pp
Merchant and transaction fees	(1,739)	(1,937)	198	-10.2%
Transaction fees as % of Revenue	4.8%	4.0%		0.8 pp
<b>Contribution profit</b>	<b>(4,936)</b>	<b>15,042</b>	<b>(19,978)</b>	<b>-132.8%</b>
Contribution as percent of revenue	-13.6%	31.3%		-44.9 pp
Overhead	(5,175)	(4,879)	(296)	6.1%
Foreign exchange gain/(loss)	150	1,016	(866)	-85.2%
<b>EBITDA profit/(loss)<sup>2</sup></b>	<b>(9,961)</b>	<b>11,179</b>	<b>(21,140)</b>	<b>-189.1%</b>
Adjusted <sup>1</sup> EBITDA	<b>972</b>	<b>11,179</b>	<b>(10,207)</b>	<b>-91.3%</b>
Adjusted <sup>1</sup> EBITDA as % of Revenue	2.7%	23.2%		-20.5 pp
<b>Profit/(Loss) before tax</b>	<b>(9,908)</b>	<b>11,814</b>	<b>(21,722)</b>	<b>-183.9%</b>
Income tax benefit/(expense)	1,440	(3,633)	5,073	-139.6%
<b>Profit/(Loss) after tax</b>	<b>(8,468)</b>	<b>8,181</b>	<b>(16,649)</b>	<b>-203.5%</b>
<b>Adjusted<sup>1</sup> profit/(loss) after tax</b>	<b>290</b>	<b>8,181</b>	<b>(7,891)</b>	<b>-96.5%</b>

## COMMENTARY

- Global revenue is down 24.5% driven by a strategic pivot designed to reduce dependency on price discounts and sale periods
- Revenue from Women's products represents 14.8% of total direct revenue
- Revenue from Indirect channels represents 18.3% of total revenue after growing 75.9% vs pcp
- Gross margin (after adjusting for the inventory obsolescence provision) declined to 73.2%, despite reduced sale period activity, the price of 'older product' was discounted at a higher rate to clear it
- Advertising increased slightly to 31.2% of revenue, with increased brand advertising
- Cost pressure on global logistics and distribution were exacerbated by higher inventory levels and the introduction of additional 3PLs

1. Adjusted values are not prescribed by IFRS and are not proforma or considered once-off. They are presented to assist financial analysis. The reconciliation of Adjusted to Statutory values is provided in the Appendix

2. 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.

# BALANCE SHEET

	As at	As at	Variance	
	31 Dec 2025	30 Jun 2025	\$'000	%
<b>Assets</b>				
Cash and financial assets	24,011	33,140	(9,129)	-27.5%
Receivables	650	499	151	30.3%
Inventory	15,677	25,257	(9,580)	-37.9%
Intangible	-	33	(33)	-100.0%
Tax asset	5,464	1,554	3,910	251.6%
Equipment	41	48	(7)	-14.6%
Property lease asset	844	-	844	-%
Other	690	1,544	(854)	-55.3%
<b>Assets</b>	<b>47,377</b>	<b>62,075</b>	<b>(14,698)</b>	<b>-23.7%</b>
<b>Liabilities</b>				
Liabilities to factories	3,793	3,504	289	8.2%
Taxes	1,507	3,532	(2,025)	-57.3%
Deferred revenue	1,336	726	610	84.0%
Lease liability	933	-	933	-%
Other liabilities	866	2,314	(1,448)	-62.6%
<b>Liabilities</b>	<b>8,435</b>	<b>10,076</b>	<b>(1,641)</b>	<b>-16.3%</b>
<b>Net Assets</b>	<b>38,942</b>	<b>51,999</b>	<b>(13,057)</b>	<b>-25.1%</b>
<b>Equity</b>				
Capital	50,396	50,396	-	-%
Retained Earnings (post IPO)	(8,340)	4,552	(12,892)	-283.2%
Reserves and Other	(3,114)	(2,949)	(165)	-5.6%
<b>Equity</b>	<b>38,942</b>	<b>51,999</b>	<b>(13,057)</b>	<b>-25.1%</b>

## COMMENTARY

- Debt free with cash and financial assets held with licensed banks across a variety of terms
- Inventory on hand increased by \$2.7m due to product range expansion and accumulation of slower moving lines however the net balance of inventory reduced \$10.9m as a result of the increase to the obsolescence provision
- Deferred revenue represents sales made in late December that were not delivered prior to 31 December 2025
- A lease asset and liability relates to the head office lease
- Available cash of \$11.4m (\$24.0m cash & term deposits) less \$8.8m liabilities, less \$3.8m inventory purchase orders that have been placed but not yet fulfilled
- Step One remains a capital light business model

# CASHFLOW

	1H26	1H25	Variance	
	\$'000	\$'000	\$'000	%
<b>Operating cashflows</b>				
Receipts	41,904	56,516	(14,612)	-25.9%
Payments	(43,268)	(44,482)	1,214	-2.7%
	<b>(1,364)</b>	<b>12,034</b>	<b>(13,398)</b>	<b>-111.3%</b>
Interest	196	808	(612)	-75.7%
Tax	(3,438)	(2,896)	(542)	18.7%
	<b>(4,606)</b>	<b>9,946</b>	<b>(14,552)</b>	<b>-146.3%</b>
<b>Investing cashflows</b>				
Term Deposit	7,853	(7,503)	15,356	-204.7%
Asset purchases	(6)	(20)	14	-70.0%
	<b>7,847</b>	<b>(7,523)</b>	<b>15,370</b>	<b>-204.3%</b>
<b>Financing cashflows</b>				
Dividends paid	(4,424)	(5,173)	0.749	14.5%
Treasury shares for ESOP	-	-	-	-%
Lease	(8)	(115)	107	93.0%
	<b>(4,432)</b>	<b>(5,288)</b>	<b>856</b>	<b>16.2%</b>
<b>Net cashflow</b>	<b>(1,191)</b>	<b>(2,865)</b>	<b>1,674</b>	<b>58.4%</b>
Opening cash	18,140	28,952	(10,812)	-37.3%
FX movements	(85)	180	265	-147.2%
<b>Closing cash</b>	<b>16,864</b>	<b>26,267</b>	<b>(9,403)</b>	<b>-35.8%</b>

## COMMENTARY

- Cash inflow decline in line with reduced revenue
- Outflows reflect higher inventory levels
- Dividends totalling \$4.4m were paid; distributing 100% of earnings
- Term deposits with a duration of greater than 3 months have been classified as investments.
- Strong financial position with cash and term deposits totalling \$24.0m, all held with licenced Australian Banks

# LOOKING FORWARD

## Executing the reset plan

**Step One will continue to execute the plan to reset the business, including:**

- Prioritise new products and adjacencies
- Enhance brand advertising
- Maintain brand premium through reduced discounting

Step One will prioritise long-term value creation over short-term performance, with a focus on sustainable growth and improving profitability.

No change in dividend policy. Dividend declarations are expected to recommence once retained earnings returns to a positive balance.

No financial guidance will be issued.



**PRODUCTS**



**CUSTOMERS**



**CHANNELS**



**FOOTPRINT**

# APPENDIX

# STEP ONE™

## AT A GLANCE

(AT 31 DECEMBER 2025)

Listed on the ASX:	2021 – STP
Industry Sector:	Retail (online)
Fiscal year end:	June 30
Market cap:	\$62m, \$0.335 per share
Valuation multiple:	3.6x EBITDA (based on FY25 EBITDA)
Securities Issued:	185,340,291
Founder holds:	107,327,144 (58%)
Free Float:	38%
Dividends:	100% payout, 100% franked

## Sustainable / Ethical Investment

ESG Report, Certified Supply Chain, Modern Day Slavery compliance, GHG Emissions disclosed and reduction plan provided

**Step One Clothing (ASX:STP)** Step One is a leading direct-to-consumer online retailer of underwear. Step One offers a range of high quality, certified sustainable and ethically manufactured underwear that suits a broad range of body types. Step One has transformed the underwear market with an innovative design and strong customer following which is behind its growth into a multinational company operating in Australia, the US and the UK.



Founder led, entrepreneurial, in-house capability to create content and opportunities for brand exposure and product design



Innovative product with strong customer connection and customer advocacy



Online DTC, 100% brand owned, outsourced and flexible manufacturing process, globally scalable business model



Customer centric and proactive social media management encourages feedback on marketing and product designs



Strong ESG focus with end-to-end supply chain certification and GHG emissions provided

# BUSINESS MODEL

Step One is an online DTC company, with a capital light scalable operation

	<p><b>GLOBAL COMPANY</b> Local operations</p>	<ul style="list-style-type: none"> <li>• Head office in <b>Australia</b> with only 28 employees globally</li> <li>• Subsidiaries in <b>UK and US</b> which hold inventory locally (in scalable 3PLs)</li> <li>• Staff in other countries are customer focused and supported by local experts</li> <li>• Ability to <b>export to other countries</b> and use global marketplaces</li> </ul>
	<p><b>EXCEPTIONAL UNDERWEAR</b> Unparalleled function &amp; comfort</p>	<ul style="list-style-type: none"> <li>• Underwear offers <b>functional benefits</b> of UltraGlyde® <b>anti-chafe</b> panels, <b>moisture wicking</b> viscose made from bamboo material, elastic 3D pouch for anatomical <b>support</b></li> <li>• <b>Quality</b> in design and manufacturing – backed by a 1-year warranty</li> <li>• Flexible ability to modify design to accommodate specific market segments (eg Sports)</li> <li>• Underwear is our priority, with adjacent products representing future opportunity</li> </ul>
	<p><b>CAPITAL LIGHT &amp; FLEXIBLE</b> Focus remains on design, customers &amp; marketing</p>	<ul style="list-style-type: none"> <li>• Equity funded, no debt, brand owner, <b>100% online</b> (no store leases)</li> <li>• Outsource manufacturing to <b>best-in-class manufacturing</b> facilities which are <b>scalable</b></li> <li>• Outsource warehouse and distribution to established 3PL who are best in class and scalable</li> <li>• Executive attention directed to customer interaction and product design</li> </ul>
	<p><b>ESG CERTIFIED</b> Competitive advantage</p>	<ul style="list-style-type: none"> <li>• <b>FSC® certification</b> of supply chain ensures responsible sourcing and <b>ethical manufacturing</b></li> <li>• The journey to a <b>low emissions</b> future well advanced. Emissions offsetting being evaluated</li> <li>• ESG credentials are valued by customers and hard for competitors to catch-up</li> </ul>
	<p><b>MARKETING</b> Strategic &amp; direct</p>	<ul style="list-style-type: none"> <li>• <b>In-house capability</b> producing video, content &amp; marketing</li> <li>• Skills managing <b>content localisation</b> or local production</li> <li>• Intelligent management of <b>paid media, social media &amp; influencer</b> channels</li> <li>• Creativity and digital advertising skills are in our DNA and hard to replicate</li> </ul>
	<p><b>CHANNELS &amp; PARTNERSHIPS</b> Opportunity for growth</p>	<ul style="list-style-type: none"> <li>• Active management of <b>marketplace</b> channels like <b>Amazon</b> to expand customer reach</li> <li>• Partnership with <b>John Lewis</b> to elevate product positioning</li> <li>• Exceptional <b>partnerships</b> like <b>SLSA</b> to expand customer acquisition</li> </ul>
	<p><b>CUSTOMER CENTRIC</b> Conversion &amp; Retention</p>	<ul style="list-style-type: none"> <li>• <b>Online</b> and primarily <b>DTC</b> with active social media management keeps us close to customer feedback</li> <li>• <b>30-Day First Pair Guarantee</b> which allows a full refund on a first purchase plus <b>Free shipping</b> reduce barriers to first purchase</li> <li>• High customer retention rates</li> </ul>

# A BRIEF HISTORY OF STEP ONE

Founder-led business with scalable business model & track record of innovation

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Step One is born	Scalable production	Scalable logistics	UK market entry	US market entry	Amazon AU, UK, US	Supply Chain Certification	Retailer Partnership	TikTok Shop	So far
										
Channels	 AUD			 GBP	 USD			JOHN LEWIS & PARTNERS GBP	 TikTok Shop GBP, USD	
Supply Chain & Logistics	1st Manufacturer	2nd Manufacturer	Aust 3PL	UK 3PL	US 3PL		FSC® Chain-of-custody certification FSC(R) C183245			Additional 3PL's
Men's	Boxer, Trunk			Boxer/fly	Long Johns	Sports			Cloud Mesh	X-Cup
Women's						Body Shorts	Bikini Brief Smoothfit: Brief, Bikini, Thong	Smoothfit: Boy Short, Bralet	Period underwear	Pure seamfree
Unisex									Socks	Sleepwear

# HISTORIC INCOME STATEMENT

P&L	FY22		FY23		FY24		FY25		FY26		Completed Financial Years					
	1H22	2H22	1H23	2H23	1H24	2H24	1H25	2H25	1H26	2H26	FY20	FY21	FY22	FY23	FY24	FY25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Proforma																
Australia	25,601	20,995	24,113	18,893	26,264	24,609	30,847	23,868	19,875		21,247	40,668	46,596	43,006	50,873	54,175
UK	11,031	11,013	10,619	9,748	14,652	12,507	15,675	13,822	15,245		1,000	21,049	22,044	20,367	27,129	29,497
USA	1,444	2,103	1,161	650	4,136	2,410	1,596	1,074	1,210		0	0	3,547	1,811	6,546	2,670
<b>Revenue</b>	<b>38,076</b>	<b>34,111</b>	<b>35,893</b>	<b>29,291</b>	<b>45,052</b>	<b>39,526</b>	<b>48,118</b>	<b>38,764</b>	<b>36,330</b>		<b>22,247</b>	<b>61,717</b>	<b>72,187</b>	<b>65,184</b>	<b>84,548</b>	<b>86,882</b>
Cost of sales	(6,424)	(6,590)	(6,925)	(5,655)	(8,480)	(7,735)	(10,568)	(9,935)	(19,741)		(4,096)	(10,732)	(13,014)	(12,580)	(16,215)	(20,503)
Inventory Provision Adjustment									(10,933)							
<b>Gross Profit</b>	<b>31,652</b>	<b>27,521</b>	<b>28,968</b>	<b>23,636</b>	<b>36,572</b>	<b>31,791</b>	<b>37,550</b>	<b>28,829</b>	<b>15,656</b>		<b>18,151</b>	<b>50,985</b>	<b>59,173</b>	<b>52,604</b>	<b>68,333</b>	<b>66,379</b>
Gross Margin %	83.1%	80.7%	80.7%	80.7%	81.2%	80.4%	78.0%	74.4%	43.1%		81.6%	82.6%	82.0%	80.7%	80.8%	76.4%
Advertising & marketing	(14,930)	(17,169)	(11,916)	(11,350)	(15,379)	(12,307)	(13,969)	(9,479)	(11,351)		(8,294)	(28,074)	(32,089)	(23,266)	(27,886)	(23,448)
Advertising as % of Revenue	39.2%	50.3%	33.2%	38.7%	34.1%	31.1%	29.0%	24.5%	31.2%		37.3%	45.5%	44.5%	35.7%	32.7%	27.0%
Distribution & fulfillment	(4,415)	(4,431)	(4,472)	(3,852)	(5,274)	(5,865)	(6,602)	(6,462)	(7,502)		(1,754)	(6,194)	(8,846)	(8,324)	(11,139)	(13,064)
Distribution as % of Revenue	11.6%	13.0%	12.5%	13.2%	11.7%	14.8%	13.7%	16.7%	20.6%		7.9%	10.0%	12.3%	12.8%	13.2%	15.0%
Merchant & transaction fees	(947)	(910)	(1,262)	(900)	(1,643)	(1,304)	(1,937)	(1,402)	(1,739)		(676)	(1,402)	(1,857)	(2,162)	(2,947)	(3,339)
Transaction fees as % of Revenue	2.5%	2.7%	3.5%	3.1%	3.6%	3.3%	4.0%	3.6%	4.8%		3.0%	2.3%	2.6%	3.3%	3.5%	3.8%
<b>Contribution Profit/(Loss)</b>	<b>11,360</b>	<b>5,021</b>	<b>11,318</b>	<b>7,534</b>	<b>14,276</b>	<b>12,315</b>	<b>15,042</b>	<b>11,486</b>	<b>(4,936)</b>		<b>7,427</b>	<b>15,315</b>	<b>16,381</b>	<b>18,852</b>	<b>26,561</b>	<b>26,528</b>
Contribution as % of Revenue	29.8%	14.7%	31.5%	25.7%	31.7%	31.1%	31.3%	29.6%	-13.6%		33.4%	24.8%	22.7%	28.9%	31.4%	30.5%
Employee & contractor related expenses	(1,399)	(1,628)	(1,999)	(2,307)	(1,926)	(2,419)	(2,930)	(3,064)	(3,317)		(1,555)	(1,895)	(3,027)	(4,306)	(4,345)	(5,994)
Share based payments	(180)	(34)	(165)	50	(107)	(215)	(302)	(326)	(314)		(360)	(360)	(214)	(115)	(322)	(628)
Other operating expenses	(1,950)	(1,411)	(1,682)	(1,614)	(1,605)	(1,510)	(1,647)	(1,573)	(1,544)		(2,459)	(3,349)	(3,361)	(3,296)	(3,115)	(3,324)
<b>Proforma Overhead</b>	<b>(3,529)</b>	<b>(3,073)</b>	<b>(3,846)</b>	<b>(3,871)</b>	<b>(3,638)</b>	<b>(4,144)</b>	<b>(4,879)</b>	<b>(4,963)</b>	<b>(5,175)</b>		<b>(4,374)</b>	<b>(5,604)</b>	<b>(6,602)</b>	<b>(7,717)</b>	<b>(7,782)</b>	<b>(9,842)</b>
Foreign Exchange	(394)	(367)	1	887	(508)	(142)	1,016	(282)	150		0	23	(761)	888	(650)	734
Other non-operating income	(2)	17	0	0	0	0	0	0	0		48	46	15	0	0	0
<b>Proforma EBITDA/(Loss)</b>	<b>7,435</b>	<b>1,598</b>	<b>7,473</b>	<b>4,550</b>	<b>10,130</b>	<b>8,029</b>	<b>11,179</b>	<b>6,241</b>	<b>(9,961)</b>		<b>3,101</b>	<b>9,780</b>	<b>9,033</b>	<b>12,023</b>	<b>18,129</b>	<b>17,420</b>
EBITDA as % of Revenue	19.5%	4.7%	20.8%	15.5%	22.5%	20.3%	23.2%	16.1%	-27.4%		13.9%	15.8%	12.5%	18.4%	21.4%	20.1%
Depreciation & amortisation & interest	(3)	9	100	315	378	201	635	263	53		(1)	(5)	6	415	579	898
<b>Proforma Profit/(Loss) before Tax</b>	<b>7,432</b>	<b>1,607</b>	<b>7,573</b>	<b>4,865</b>	<b>10,508</b>	<b>8,230</b>	<b>11,814</b>	<b>6,504</b>	<b>(9,908)</b>		<b>3,100</b>	<b>9,775</b>	<b>9,039</b>	<b>12,438</b>	<b>18,708</b>	<b>18,318</b>
Income tax (expense)/credit	(2,462)	(1,249)	(2,298)	(1,524)	(3,401)	(2,907)	(3,633)	(2,034)	1,440		(824)	(3,261)	(3,711)	(3,822)	(6,308)	(5,667)
<b>Proforma Profit/(Loss) after Tax</b>	<b>4,970</b>	<b>358</b>	<b>5,275</b>	<b>3,341</b>	<b>7,107</b>	<b>5,323</b>	<b>8,181</b>	<b>4,470</b>	<b>(8,468)</b>		<b>2,276</b>	<b>6,514</b>	<b>5,328</b>	<b>8,616</b>	<b>12,400</b>	<b>12,651</b>
Proforma expense adj	(9,963)	650	0	0	0	0	0	0	0		1,939	(6,627)	(9,313)	0	0	0
Proforma tax adjustments	1,178	(195)	0	0	0	0	0	0	0		(617)	(5)	983	0	0	0
<b>Statutory Profit/(Loss) after Tax</b>	<b>(3,815)</b>	<b>813</b>	<b>5,275</b>	<b>3,341</b>	<b>7,107</b>	<b>5,323</b>	<b>8,181</b>	<b>4,470</b>	<b>(8,468)</b>		<b>3,598</b>	<b>(118)</b>	<b>(3,002)</b>	<b>8,616</b>	<b>12,400</b>	<b>12,651</b>

Proforma financial information has been prepared for comparative analysis. Details of adjustments are available in the investor presentations in the relevant years.

# ADJUSTED INCOME STATEMENT

STEP ONE

	1H26			1H25	Movement	
	Reported	Adjustment	Adjusted <sup>1</sup>	Reported	Adjusted <sup>1</sup>	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
Australia	19,875		19,875	30,847	(10,972)	-35.6%
UK	15,245		15,245	15,675	(430)	-2.7%
USA	1,210		1,210	1,596	(386)	-24.2%
<b>Revenue</b>	<b>36,330</b>		<b>36,330</b>	<b>48,118</b>	<b>(11,788)</b>	<b>-24.5%</b>
Cost of sales	(9,741)		(9,741)	(10,568)	827	-7.8%
Provision movement	(10,933)	10,933	-	-	-	-%
<b>Gross profit</b>	<b>15,656</b>	<b>10,933</b>	<b>26,589</b>	<b>37,550</b>	<b>(10,961)</b>	<b>-29.2%</b>
Gross margin %	43.1%		73.2%	78.0%		-4.8 pp
Advertising & marketing <sup>1</sup>	(11,351)		(11,351)	(13,969)	2,618	-18.7%
Advertising as percent of revenue	31.2%		31.2%	29.0%		2.2 pp
Distribution & fulfilment	(7,502)		(7,502)	(6,602)	(900)	13.6%
Distribution as percent of revenue	20.6%		20.6%	13.7%		6.9 pp
Merchant and transaction fees	(1,739)		(1,739)	(1,937)	198	-10.2%
Transaction fees as % of Revenue	4.8%		4.8%	4.0%		0.8 pp
<b>Contribution profit</b>	<b>(4,936)</b>	<b>10,933</b>	<b>5,997</b>	<b>15,042</b>	<b>(9,045)</b>	<b>-60.1%</b>
Contribution as percent of revenue	-13.6%		16.5%	31.3%		-14.8 pp
Overhead	(5,175)		(5,175)	(4,879)	(296)	6.1%
Foreign exchange gain/(loss)	150		150	1,016	(866)	-85.2%
<b>EBITDA profit/(loss)<sup>1</sup></b>	<b>(9,961)</b>	<b>10,933</b>	<b>972</b>	<b>11,179</b>	<b>(10,207)</b>	<b>-91.3%</b>
EBITDA as a % of Revenue	-27.4%		2.7%	23.2%		-20.5 pp
<b>Profit/(Loss) before tax</b>	<b>(9,908)</b>	<b>10,933</b>	<b>1,025</b>	<b>11,814</b>	<b>(10,789)</b>	<b>-91.3%</b>
Income tax benefit/(expense)	1,440	(2,175)	(735)	(3,633)	2,898	-79.8%
<b>Profit/(Loss) after tax</b>	<b>(8,468)</b>	<b>8,758</b>	<b>290</b>	<b>8,181</b>	<b>(7,891)</b>	<b>-96.5%</b>

## COMMENTARY

The increase in the inventory obsolescence provision is not a proforma adjustment and not a measure prescribed by IFRS.

This table has been prepared to assist analysis and understanding of the impact of the provision adjustment.

It should be noted that no tax benefit was recognised for the provision expense in the USA

1. Adjusted values are not prescribed by IFRS and are not proforma or considered once-off. They are presented to assist financial analysis.

2. 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.

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