

1. Company details

Name of entity:	Step One Clothing Limited
ABN:	34 616 696 318
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	6.8% to	48,118
Profit from ordinary activities after tax attributable to the owners of Step One Clothing Limited	up	15.1% to	8,181
Profit for the half-year attributable to the owners of Step One Clothing Limited	up	15.1% to	8,181

Dividends Current period

	Amount per security Cents	Franked amount per security Cents
Dividend for the year ended 30 June 2024 paid on 13 September 2024.	2.8	2.8

Previous period

	Amount per security Cents	Franked amount per security Cents
Dividend for the year ended 30 June 2023 paid on 25 September 2023.	5.0	5.0

	Consolidated 31 Dec 2024 \$'000	31 Dec 2023 \$'000
<i>Current period</i>		
Dividend of 2.8 cents per ordinary share for the year ended 30 June 2024 paid in September 2024 by Step One Clothing Limited	5,190	-
Dividend received by the Step One Employee Share Trust but remaining un-distributed at 31 December 2024	(17)	-
<i>Previous period</i>		
Dividend of 5.0 cents per ordinary share for the year ended 30 June 2023 paid in September 2023 by Step One Clothing Limited	-	9,267
Dividend received by the Step One Employee Share Trust but remaining un-distributed at 31 December 2023	-	(36)
Net dividend paid	<u>5,173</u>	<u>9,231</u>

Comments

The profit for the Group after providing for income tax amounted to \$8,181,000 (31 December 2023: \$7,107,000).

Revenue increased 6.8% on the prior corresponding period and non-IFRS measure of performance Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') increased 10.4% to \$11,179,000 (31 December 2023: \$10,130,000). Gross margin as a percentage of revenue decreased to 77.9% (31 December 2023: 81.2%).

The Directors consider EBITDA to reflect the core earnings of the Group. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS'). The Group's reconciliation of its statutory net profit after tax ('NPAT') for the current and previous half-year EBITDA is as follows:

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Profit after income tax expense ('NPAT')	8,181	7,107
Less: Interest income	(815)	(486)
Add: Interest expense/finance cost	7	28
Add: Depreciation and amortisation expense	173	80
Add: Income tax expense	3,633	3,401
Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA')	11,179	10,130

The Group remains well funded with a strong financial position with no debt. Cash and cash equivalents and other financial assets as at 31 December 2024 is \$43,770,000 (30 June 2024: \$38,952,000), which provides the financial capacity to pursue expansion as and when available.

Refer to the Review of operations in the Directors' report for further commentary on the results.

3. Net tangible assets

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	<u>30.05</u>	<u>29.74</u>

Net tangible assets per ordinary security, has been calculated as follows:

	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Net assets	55,710	55,210
Less: Intangibles	(36)	(122)
Less: Right-of-use assets	(165)	(384)
Add: Lease liabilities	178	409
Net tangible assets	<u>55,687</u>	<u>55,113</u>
	Number	Number
Total shares issued	<u>185,340,291</u>	<u>185,340,291</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

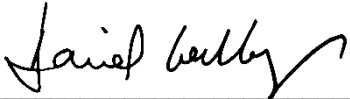
10. Attachments

Details of attachments (if any):

The Interim Report of Step One Clothing Limited for the half-year ended 31 December 2024 is attached.

11. Signed

Approved for release by the Board of Directors

Signed  _____

Date: 19 February 2025

David Gallop AM
Chair
Surry Hills

Step One Clothing Limited

ABN 34 616 696 318

Interim Report - 31 December 2024

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The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Step One Clothing Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities (refer to note 12 to the financial statements) it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were Directors of Step One Clothing Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

David Gallop AM
Gregory Taylor
Richard Dennis
Michael Reddie
Catherine Thompson

Principal activities

During the financial half-year, the principal continuing activities of the Group consisted of an online, direct to customer, innerwear brand.

There have been no changes to the principal activities during the financial half-year.

Review of operations

The profit for the Group after providing for income tax amounted to \$8,181,000 (31 December 2023: \$7,107,000).

Revenue for the financial half-year was \$48,118,000 (31 December 2023: \$45,052,000), an increase of 6.8% on the previous corresponding period ('pcp').

The Group remains well funded with a strong financial position with no debt. Cash and cash equivalents and other financial assets as at 31 December 2024 is \$43,770,000 (30 June 2024: \$38,952,000), which provides the financial capacity to pursue expansion as and when available.

Step One attracted over 8.1 million (31 December 2023: 8.3 million) website visits with an average conversion rate of 4.5% (31 December 2023: 5.1%).

There were 131,000 (31 December 2023: 182,000) first-time customers in the year bringing the total number of customers to over 1,801,000 (31 December 2023: 1,540,000). Customer retention remains high, with over 68.6% (31 December 2023: 61.2%) of orders being placed by returning customers who have previously placed an order.

Dividends

Dividend paid during the current and previous financial half-year were as follows:

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
<i>Current period</i>		
Dividend of 2.8 cents per ordinary share for the year ended 30 June 2024 paid in September 2024 by Step One Clothing Limited	5,190	-
Dividend received by the Step One Employee Share Trust but remaining un-distributed at 31 December 2024	(17)	
<i>Previous period</i>		
Dividend of 5.0 cents per ordinary share for the year ended 30 June 2023 paid in September 2023 by Step One Clothing Limited	-	9,267
Dividend received by the Step One Employee Share Trust but remaining un-distributed at 31 December 2023	-	(36)
	<u>5,173</u>	<u>9,231</u>
Net dividend payment recognised in the statement of changes in equity	<u>5,173</u>	<u>9,231</u>

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



David Gallop AM
Chair



Gregory Taylor
Director and Chief Executive Officer

19 February 2025
Surry Hills

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of Step One Clothing Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Step One Clothing Limited for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

egangemi

C S Gangemi
Partner – Audit & Assurance

Melbourne, 19 February 2025

Step One Clothing Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

STEP ONE

		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$'000	\$'000
Sales revenue	4	48,118	45,052
Cost of goods sold		<u>(10,568)</u>	<u>(8,480)</u>
Gross margin		<u>37,550</u>	<u>36,572</u>
Interest income calculated using the effective interest method		815	486
Net foreign exchange gain		1,016	-
Expenses			
Advertising and marketing expense		(13,969)	(15,379)
Distribution and fulfilment expense		(6,602)	(5,274)
Merchant and transaction fees		(1,937)	(1,643)
Employee benefits and contractor expense		(2,930)	(1,926)
Share-based payments expense		(302)	(107)
Depreciation and amortisation expense		(173)	(80)
Net foreign exchange loss		-	(508)
Professional, legal and insurance fees		(829)	(956)
Administration expense		(818)	(649)
Finance costs		<u>(7)</u>	<u>(28)</u>
Profit before income tax expense		11,814	10,508
Income tax expense		<u>(3,633)</u>	<u>(3,401)</u>
Profit after income tax expense for the half-year attributable to the owners of Step One Clothing Limited		8,181	7,107
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>180</u>	<u>154</u>
Other comprehensive income for the half-year, net of tax		<u>180</u>	<u>154</u>
Total comprehensive income for the half-year attributable to the owners of Step One Clothing Limited		<u>8,361</u>	<u>7,261</u>
		Cents	Cents
Basic earnings per share	5	4.41	3.83
Diluted earnings per share	5	4.39	3.81

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 Dec 2024	30 Jun 2024
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	6	26,267	28,952
Trade and other receivables		1,631	972
Inventories	7	22,645	18,959
Other financial assets	8	17,503	10,000
Other assets		1,486	2,201
Total current assets		<u>69,532</u>	<u>61,084</u>
Non-current assets			
Property, plant and equipment		133	174
Right-of-use assets		165	274
Intangibles		36	39
Deferred tax asset		2,432	1,903
Total non-current assets		<u>2,766</u>	<u>2,390</u>
Total assets		<u>72,298</u>	<u>63,474</u>
Liabilities			
Current liabilities			
Trade and other payables	9	11,230	9,007
Contract liabilities		2,583	686
Lease liabilities		178	231
Income tax payable		2,149	851
Employee benefits		334	286
Total current liabilities		<u>16,474</u>	<u>11,061</u>
Non-current liabilities			
Lease liabilities		-	62
Deferred tax liability		52	84
Employee benefits		62	46
Total non-current liabilities		<u>114</u>	<u>192</u>
Total liabilities		<u>16,588</u>	<u>11,253</u>
Net assets		<u>55,710</u>	<u>52,221</u>
Equity			
Issued capital		50,925	50,925
Reserves		1,345	864
Retained earnings		3,440	432
Total equity		<u>55,710</u>	<u>52,221</u>

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

Step One Clothing Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2024

STEP ONE

Consolidated	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2023	51,925	481	4,667	57,073
Profit after income tax expense for the half-year	-	-	7,107	7,107
Other comprehensive income for the half-year, net of tax	-	154	-	154
Total comprehensive income for the half-year	-	154	7,107	7,261
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	107	-	107
Dividends paid (note 10)	-	-	(9,231)	(9,231)
Balance at 31 December 2023	<u>51,925</u>	<u>742</u>	<u>2,543</u>	<u>55,210</u>

Consolidated	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024	50,925	864	432	52,221
Profit after income tax expense for the half-year	-	-	8,181	8,181
Other comprehensive income for the half-year, net of tax	-	180	-	180
Total comprehensive income for the half-year	-	180	8,181	8,361
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	301	-	301
Dividends paid (note 10)	-	-	(5,173)	(5,173)
Balance at 31 December 2024	<u>50,925</u>	<u>1,345</u>	<u>3,440</u>	<u>55,710</u>

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

	Note	Consolidated 31 Dec 2024 \$'000	31 Dec 2023 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of sales taxes)		56,516	52,689
Payments to suppliers and employees (inclusive of sales taxes)		(44,482)	(35,333)
		12,034	17,356
Interest received		815	486
Interest and other finance costs paid		(7)	(28)
Income taxes paid		(2,896)	(2,870)
Net cash from operating activities		9,946	14,944
Cash flows from investing activities			
Payments for term deposits		(7,503)	-
Payments for property, plant and equipment		(20)	(132)
Payments for intangibles		-	(83)
Net cash used in investing activities		(7,523)	(215)
Cash flows from financing activities			
Repayment of leases		(115)	(30)
Dividends paid	10	(5,173)	(9,231)
Net cash used in financing activities		(5,288)	(9,261)
Net (decrease)/increase in cash and cash equivalents		(2,865)	5,468
Cash and cash equivalents at the beginning of the financial half-year		28,952	38,313
Effects of exchange rate changes on cash and cash equivalents		180	154
Cash and cash equivalents at the end of the financial half-year	6	26,267	43,935

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

Note 1. General information

The financial statements cover Step One Clothing Limited as a group consisting of Step One Clothing Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year. Step One Clothing Limited and its subsidiaries (as detailed in note 12) together are referred to in these financial statements as the 'Group'. The financial statements are presented in Australian dollars, which is Step One Clothing Limited's functional and presentation currency.

Step One Clothing Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2
120 Chalmers Street
Surry Hills NSW 2010

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 19 February 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted, during the financial half-year ended 31 December 2024 and are not expected to have a significant impact for the full financial year ending 30 June 2025.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

Consistent with the Group's annual report for the year ended 30 June 2024, judgements and estimates which are critical to these financial statements are detailed below. There have been no material changes to the critical basis of estimation for significant estimates between the previous annual financial statements and this interim report. Changes in estimated amounts arise from changes in performance rather than changes in the basis of estimation, as shown in the relevant notes to these interim financial statements.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Judgements

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Based on current and projected performance, the Directors have assessed that it is probable that future taxable amounts will be available, and therefore have recognised deferred tax assets on the statement of financial position.

Estimates

Provision for inventory obsolescence

A provision for inventory obsolescence represents the value of inventory that is expected to be sold at less than carrying value or disposed. The provision amount was determined after assessing non-core product lines that were first released over 12 months from the reporting date. The items included are for colour releases that did not sell through, and the prospect of future re-release is limited and/or the cost does not justify maintaining the line. Cost in this context includes both holding and opportunity cost (distracting customers from more popular lines). The provision also includes damaged stock or returned (and opened) inventory for which sale is not possible. Refer to note 7 for further details.

Share-based payments

The Group assesses the fair value of options granted applying the Black-Scholes valuation model. The use of this model requires significant judgement and assumptions in regards to the key inputs such as risk-free rate, share price volatility and time to maturity. Rights are valued using the share price on the date of issue.

Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into three operating segments, being online retail sales for Australia, United Kingdom and United States of America, however these segments are aggregated into one reportable segment. The determination of these operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer and Chief Financial Officer (who are identified as the CODM) in assessing performance and in determining the allocation of resources.

The CODM reviews sales revenue from sale of goods recognised at a point in time. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Major customers

During the current and previous financial half-year, no individual customer contributed more than 10 per cent of the Group's revenue.

Disaggregation of revenue by geographical regions

The Group operates in Australia, United Kingdom and United States of America. Revenue is attributed to the country where the goods are dispatched from:

Note 4. Operating segments (continued)

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Australia	30,847	26,264
United Kingdom	15,675	14,652
United States of America	1,596	4,136
	<u>48,118</u>	<u>45,052</u>

Non-current assets by Geographical regions

There are no geographical non-current assets.

Note 5. Earnings per share

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Profit after income tax attributable to the owners of Step One Clothing Limited	<u>8,181</u>	<u>7,107</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	185,340,291	185,340,291
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<u>1,200,000</u>	<u>1,200,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>186,540,291</u>	<u>186,540,291</u>
	Cents	Cents
Basic earnings per share	4.41	3.83
Diluted earnings per share	4.39	3.81

Rights are not dilutive. All vested rights will be satisfied through the transfer of shares from the ESOP Trust to the employee. The Trusts holds 2,391,731 shares in Step One for which the ESOP has issued 1,917,646 Rights.

Note 6. Cash and cash equivalents

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Current assets</i>		
Cash at bank	26,267	18,952
Cash on deposit	<u>-</u>	<u>10,000</u>
	<u>26,267</u>	<u>28,952</u>

Cash on deposit has maturity duration less than 3 months. Cash on deposit is held at Australian licensed banks.

Note 7. Inventories

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Current assets</i>		
Stock on hand - at cost	21,143	17,883
Less: Provision for inventory obsolescence	(1,020)	(876)
	<u>20,123</u>	<u>17,007</u>
Stock in transit - at cost	<u>2,522</u>	<u>1,952</u>
	<u><u>22,645</u></u>	<u><u>18,959</u></u>

Provision for inventory obsolescence

The provision for inventory obsolescence represents approximately 5% (30 June 2024: 5%) of stock on hand.

Note 8. Other financial assets

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Current assets</i>		
Term deposits	<u>17,503</u>	<u>10,000</u>

Term deposits are deposits with a maturity greater than 3 months. Funds are held at licensed Australian banks.

Note 9. Trade and other payables

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Current liabilities</i>		
Trade payables	7,345	5,759
Sales taxes (net)	2,095	1,518
Accruals and other payables	<u>1,790</u>	<u>1,730</u>
	<u><u>11,230</u></u>	<u><u>9,007</u></u>

Sales taxes (net) includes GST, VAT, Sales Tax and other similar sales and use taxes as appropriate in the jurisdictions which the Group operates in.

Note 10. Dividends

Dividend paid during the current and previous financial half-year were as follows:

Note 10. Dividends (continued)

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Dividend of 2.8 cents per ordinary share for the year ended 30 June 2024 paid in September 2024 by Step One Clothing Limited	5,190	-
Dividend received by the Step One Employee Share Trust but remaining un-distributed at 31 December 2024	(17)	-
Dividend of 5.0 cents per ordinary share for the year ended 30 June 2023 paid in September 2023 by Step One Clothing Limited	-	9,267
Dividend received by the Step One Employee Share Trust but remaining un-distributed at 31 December 2023	-	(36)
	<u>5,173</u>	<u>9,231</u>
Net dividend payment recognised in the statement of changes in equity	<u>5,173</u>	<u>9,231</u>

Note 11. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2024 and 30 June 2024.

Note 12. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2024	30 Jun 2024
		%	%
Step One Clothing Australia Pty Ltd	Australia	100%	100%
Step One Production Pty Ltd	Australia	100%	100%
Step One Clothing UK Limited	United Kingdom	100%	100%
Step One Clothing USA Inc	United States of America	100%	100%
Step One Employee Share Trust*	Australia	100%	100%

* On 6 March 2023, the Group established the Step One Employee Share Trust (the 'Trust') for the purposes of managing its employee share ownership plans ('ESOPs'). The Trustee is Pacific Custodians Pty Limited (ACN 009 268 866). Whilst the Group has no legal ownership of the Trust, it is controlled by the Group and is therefore consolidated. Dividends received by the Trust which are not distributed to beneficiaries are offset against the dividend payment made by the Group.

Note 13. Events after the reporting period

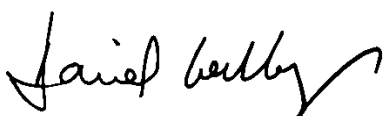
No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



David Gallop AM
Chair



Gregory Taylor
Director and Chief Executive Officer

19 February 2025
Surry Hills

Independent Auditor's Review Report

To the Members of Step One Clothing Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Step One Clothing Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Step One Clothing Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



C S Gangemi
Partner – Audit & Assurance
Melbourne, 19 February 2025