

ASX Announcement

1 November 2021

Step One Clothing Limited Commences Trading on the ASX

Highlights:

- Trading in shares of Step One commences on the ASX today at 11.00 AEDT following a successful IPO to raise \$81.3 million
- Primary capital raise to support future growth including international expansion
- Brand owner and digitally native direct-to-consumer retailer, focused on innovative, high-quality, organic, ethically produced, and sustainable innerwear
- Founder-led business with highly scalable model and strong growth track record

Step One Clothing Limited (“Step One” or the “Company”), a leading online, direct to consumer, innerwear brand, will commence trading on the Australian Securities Exchange (ASX) today at 11.00 AEDT under the **ASX Ticker STP**. The listing follows a successful fully underwritten initial public offering, raising \$81.3 million at \$1.53 per share. Primary funds raised will be used to support the Company’s growth strategies, including growing Step One’s existing customer base in Australia and the UK, and investing in establishing a presence in the US.

Founded in 2017, Step One is focused on high-quality, organic, ethically produced, and sustainable products in the innerwear category. The Company’s growth strategy is focused around three pillars: strengthening brand equity, product development to specialise in the innerwear market, and continued international expansion. This growth strategy will come to fruition through Step One’s recent expansion into the US, and the broadening of its product range into the sports and women’s underwear market.

Step One operates within a large global industry with the potential to capture further market share globally. Research by Frost & Sullivan¹ reveals the global underwear market is worth approximately \$150 billion and growing, with a clear trend towards increasing online sales, linked to increased adoption of mobile technology, and 24/7 convenience.

Founder and CEO Greg Taylor said an IPO reflects the best option to provide the funding needed to support Step One’s next stage of growth, and its vision of becoming an innovative and ethical global brand. “I am very excited that today Step One has listed on the ASX. I created Step One to solve the problems of chafing, ride up and managing sweat. In addition to creating an innovative product, it’s also made from organic and sustainable materials. I’m looking forward to continuing to build the **Step One** brand as we expand offshore.”

“I would like to take the opportunity to thank our experienced and dedicated management team who continue to drive the business forward. We are supported and encouraged by our Board of Directors, led by Chairman David Gallop AM, who bring a great mix of skills and knowledge. I would also like to thank all of our new shareholders for their confidence to join our journey ahead.”

Mr Taylor added, “I am pleased with our year to date sales performance in the lead up to the November Black Friday Cyber Monday sales event. I’m also pleased to confirm our US launch commenced as planned during October. Sales are being fulfilled from a third-party logistics (3PL) provider in the USA and initial results are consistent with our expectations.”

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

Morgans Corporate acted as Lead Manager and underwriter, KPMG Corporate Finance as Financial Adviser, Herbert Smith Freehills as Legal Advisor and Grant Thornton as Investigating Accountant and Tax Adviser.

-ENDS-

This announcement was authorised for release by the Board of Step One Clothing Limited.

About Step One Clothing

Step One is a leading direct-to-consumer online retailer for innerwear. The Company offers an exclusive range of high quality, organically grown and certified, sustainable, and ethically manufactured underwear that suits a broad range of body types. Step One has transformed the innerwear market with an innovative design and cult-like following and has quickly grown to a multinational Company operating in Australia and the UK.

Further information can be found on the Company's website <https://stepone.life/> or by contacting:

Media Enquiries

Peter Brookes

Citadel-MAGNUS

pbrookes@citadelmagnus.com

+61 2 8234 0104/ 0407 911 389

Investor Enquiries

Maddie Seacombe

Citadel-MAGNUS

mseacombe@citadelmagnus.com

+61 2 8234 0114 / 0402 999 291