11 November 2026

Step One Clothing Limited

2026 Annual General Meeting Addresses and Presentation

Step One Clothing Limited's (ASX:STP) (**Step One**) 2026 Annual General Meeting will be held as a virtual meeting today.

Date: Wednesday, 11 November 2026
Time: 10.30am (AEDT)
Venue: https://meetings.openbriefing.com/STP26

In accordance with ASX Listing Rule 3.13.3, Step One attaches the addresses and presentation to be delivered by the Chairman and Chief Executive Officer at the Annual General Meeting.

More information on the Annual General Meeting, including the Notice of Meeting and Online Meeting Guide, is available on the Step One website.

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

About Step One Clothing

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

Further information can be found on the Company's website https://stepone.group/.

For all enquiries, please contact:

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Address by David Gallop AM, Chair of Step One Clothing Limited, at the 2026 Annual General Meeting of Shareholders 11 November 2026

FY26 performance

FY26 was a difficult year for Step One. The result was below our original expectations and those of the market at the start of the year.

Two factors shaped the year: subdued consumer spending and the strategic reset announced with the FY25 result.

For several years, Step One's sales relied on frequent sitewide promotions. That approach supported volume. It also risked diluting the brand and the value customers place on it, and the Board did not consider it sustainable. The reset reduced the depth and frequency of discounting and put more weight on product innovation and the brand's premium positioning.

As sitewide discounting was removed, it became clear that sales of older and slower-moving lines had depended on being bundled with newer products at a discount. Without that support, demand for those lines was limited, and in December 2025 the Company raised a provision against that inventory. The Board is satisfied that the provision is appropriate for the remaining inventory.

For the full year, revenue was $63.7 million, down 26.7%. The Company reported an EBITDA loss of $7.4 million and a net loss after tax of $6.4 million. These results include the impact of the $9.1 million specific inventory provision. Excluding the movement in that provision and its associated tax effects, adjusted EBITDA was $1.7 million and adjusted net profit after tax was $0.8 million.

The Board recognises what this has meant for shareholders. The share price fell sharply over the year, and no final dividend was declared for FY26. We share your disappointment. The Board's focus is on restoring sustainable profitability.

Strategic reset

The Board continues to support the strategic reset. Last year I said we were confident the reset would set a path to improved margins and renewed growth. Margin improvement came through in the second half, as Greg will show. However, revenue did not follow.

Rebuilding the foundations for sustainable, profitable growth without relying on discounting is our key priority for FY27. The Board will closely monitor progress. Greg will shortly take you through how management is approaching that work.

Balance sheet and dividends

At 30 June 2026, Step One held $25.8 million in cash and financial assets and had no debt. That position allows the Company to fund its FY27 priorities from its own resources.

The dividend policy is unchanged. Step One aims to return surplus after-tax earnings to shareholders as dividends, franked to the maximum extent possible. The Board intends to recommence dividends once retained earnings return to a positive balance, subject to the Company's financial position and trading conditions at the time.

The Board reviews the Company's capital position at the end of each reporting period, weighing the funds needed to support Step One's priorities against the case for returning capital.

Board update
In October, Rick Dennis stepped down from the Board for personal reasons. Rick joined Step One when we listed in 2021 and chaired the Audit and Risk Committee from that time. On behalf of the Board, I thank him for his contribution and his leadership of the Committee.

Catherine Thompson will chair the Audit and Risk Committee on an interim basis. The Board is searching for a new independent Non-Executive Director with financial, assurance and risk management expertise.

Closing
On behalf of the Board, I thank Greg and the Step One team for their work through a year of substantial change in how the business operates and markets itself. I also thank my fellow directors for their counsel.

The task ahead is to rebuild profit and growth on the strength of the brand rather than on discounting. The Board is committed to that outcome. To our shareholders, thank you for your continued support.

I will now hand over to Greg.

Address by Greg Taylor, Founder and CEO of Step One Clothing Limited, at the 2026 Annual General Meeting of Shareholders 11 November 2026

Thank you, David, and good morning.

As David has outlined, FY26 was a year of significant change for Step One. This morning I will cover what the reset has shown us about the business, and how we are approaching FY27.

Reset in practice
The clearest measure of the reset is how much less often we discount. The number of days our products were on sale fell from 109 to 27, and sale events accounted for 26% of direct revenue, compared with 63% the year before. Where we do discount, the deepest discounts now apply only to older and slower-moving stock, which protects the value of our core range.

That change came at a cost. Direct-to-consumer revenue fell 34.7%, which accounts for the decline in group revenue David described. Website visits were 17% lower, and a smaller share of those visits turned into orders.

We are working to complete the disposal of the remaining obsolete inventory during the first half of FY27. That inventory has already been fully provided for. We have also brought buying into line with the new pattern of demand. Open production orders at 30 June were $1.3 million, compared with $7.0 million a year earlier. We have planned the peak season range to ensure our core products remain in stock.

Margin and customers
The second half gave us a clearer read on the reset. Adjusted gross margin was 79.5%, compared with 74.4% in the second half of FY25. The improvement reflects firmer pricing and fewer promotions. The comparison also reflects the absence of a mid-year sale in FY26.

Our customer database grew 11.3% in FY26 to a record of more than 2.1 million, after we added 215,000 new customers during the year. Bringing more new customers to Step One is a focus for FY27. Much of the work I will cover, from marketplaces to our basketball partnerships, is aimed at people who have not bought from us before.

Product
We launched six new products in FY26, compared with one the year before, and together they contributed 4.3% of revenue. The range now includes men's briefs, socks, sleepwear, a period range, X-cup and CloudPress, the performance range we developed with NBL players. Each of them gives an existing customer a reason to come back and shop with us.

Product development will stay disciplined. A new product has to solve a real problem for customers and earn its place commercially.

The women's category remains an opportunity for Step One. However, given the challenges of FY26, our focus for FY27 is on restoring growth and profitability in our core business before committing further resources to expanding the range.

Channels and markets
Our marketplaces continued to grow, with indirect revenue, led by Amazon, up 62.3% to $11.6 million and representing 18.2% of group revenue.

The UK held up better than Australia under the same pricing changes. UK revenue was $26.2 million, down 11.1%, compared with a 36.1% decline in Australia, and the UK now accounts for around 41% of group revenue. During the year I spent time with our teams in the UK and the US changing how we market the brand in each country. For FY27, our focus is on locally relevant creative, better conversion and profitable sales within the existing budget.

In the US, revenue was A$2.5 million, and the business recorded a reported loss of A$3.9 million, including a specific inventory provision of A$2.6 million (with no tax benefit). We are assessing the US business against its progress towards positive contribution, with clear review points and disciplined investment.

Brand
Basketball has become a core part of how we build the brand in Australia. We invested more than $550,000 in the game in FY26, from our partnership with the NBL, where Step One is the Official Compression Partner, through to junior programs including Aussie Hoops. The custom team range released at the end of the NBL season sold out in most adult sizes.

These partnerships are designed to introduce Step One to new customers and build brand awareness beyond our existing customer base.

FY27 Priorities
Our FY27 focus is on improving conversion, getting more existing customers to buy socks, CloudPress and NiteKnit and making our advertising work harder.

Our priority is not simply to recover sales, but to rebuild a business that can deliver sustainable revenue growth at healthy margins.

Our work includes the refreshed brand, the website rebuild and better customer communications. Alongside this, we will pursue profitable UK and marketplace growth, complete the obsolete-stock disposal and maintain discipline over US investment.

Our peak season starts today with Singles Day and runs through to Christmas. We look forward to reporting back at the first half in February 2027.

Closing
Step One turns ten early next year. Over that time our customer base has grown past two million. FY26 showed us plainly where the business needs to improve. As the Company's founder and largest shareholder, I am committed to that work and to building value for all shareholders.

I thank our team for how quickly they adapted to a different way of selling, and David and the Board for their backing. To our shareholders, thank you for staying with Step One through FY26.

STEP ONE™

2026 ANNUAL GENERAL MEETING



AGENDA

STEP ONE™

01
Chair Address

02
CEO Address

03
Formal Business

04
Questions

CHAIR ADDRESS

2026 Annual General Meeting

David Gallop
Chair



CEO ADDRESS

2026 Annual General Meeting

Greg Taylor
CEO & Founder



FORMAL BUSINESS

Consider reports	Receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2026
Resolution 1	Re-election of Michael Reddie as a Director
Resolution 2	Adoption of the Remuneration Report
Questions	Discuss general questions from Shareholders

CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2026.

All shareholders can view the Annual Report which contains the Financial Report, the Directors' Report, and the Independent Auditor's Report of the Company for the year ended 30 June 2026 on the Company's website at https://www.stepone.group/Investor-Centre/

RESOLUTION 1
(Re-election of Mr Michael Reddie)

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

"That Mr Michael Reddie, who retires in accordance with clause 8.1(f) of the Company's Constitution and being eligible, is re-elected as a Director of the Company."

For	Open	Against	Abstain
119,799,936	78,401	612,146	305,350
99.43%	0.07%	0.51%	

RESOLUTION 2
(Remuneration Report)

To consider and, if thought fit, pass the following as a non-binding ordinary resolution of the Company:

"That the Company's Remuneration Report for the financial year ended 30 June 2026, be adopted."

For	Open	Against	Abstain
6,866,843	79,735	1,507,998	10,023
81.22%	0.94%	17.84%	

QUESTIONS

To receive and discuss general questions from Shareholders