

APPENDIX 4D, DIRECTORS' REPORT & FINANCIAL REPORT

For the half year ended
31 December 2020

Appendix 4D	3
Directors' report	5
Auditor's independence declaration	7
Directors' declaration	8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
Independent auditor's review report to the members of Gale Pacific Limited	19

Company details and reporting period

Name of Entity:	Gale Pacific Limited
ABN or Equivalent Company Reference:	80 082 263 778
Report for the Half Year Ended:	31 December 2020
Previous Full Year Period is the Financial Year Ended:	30 June 2020
Previous Corresponding Period is the Half Year Ended:	31 December 2019

Results for announcement to the market

			Half Year to 31 December 2019 \$'000		Half Year to 31 December 2020 \$'000
Revenues from continuing operations:	Up	70.1	62,342	To	106,064
Profit from continuing operations after tax attributable to members:	Up	327.1	(2,648)	To	6,014
Net profit for the period attributable to members:	Up	327.1	(2,648)	To	6,014
Please refer to the accompanying Directors' announcement to the Australian Securities Exchange for further commentary.					

Dividends

	Amount per security	Percentage franked
Ordinary interim dividend for the year ending 30 June 2021	1.0 cents	0%
Special interim dividend for the year ending 30 June 2021	1.0 cents	0%
Final dividend for the year ending 30 June 2020	1.0 cents	0%

Date dividend is payable	9 April 2021
Record date for determining entitlements to the dividend	3 March 2021
Trading ex-dividend	2 March 2021

	Amount per security	Percentage franked
Interim dividend for the half year		
- Ordinary dividend in respect of 2021 financial year as at 31 December 2020	1.0 cents	0%
- Special dividend in respect of 2021 financial year as at 31 December 2020	1.0 cents	0%
- In respect of 2020 financial year as at 31 December 2019	0.0 cents	0%
Final dividend for the full year		
- In respect of 2020 financial year as at 30 June 2020	1.0 cents	0%
- In respect of 2019 financial year as at 30 June 2019	1.0 cents	0%

Net tangible assets

	As at 31 December 2020 ¹	As at 30 June 2020 ¹	As at 31 December 2019
Net tangible asset per ordinary security	29.23 cents	29.14 cents	26.9 cents

¹ Net tangible assets for 31 December 2020 and 30 June 2020 include the right-of-use assets recognised under AASB 16 Leases.

The financial information provided in Appendix 4D is based on the half year condensed consolidated financial report attached.

The half year condensed consolidated financial report has been independently reviewed. The financial report is not subject to a qualified independent review report.

Signed:

Name:

Title:

Date:



John Paul Marcantonio

Chief Executive Officer & Managing Director

22 February 2021

The Directors present their report together with the condensed financial report of the consolidated entity consisting of Gale Pacific Limited and the entities it controlled, for the half-year ended 31 December 2020 and independent auditors review report thereon.

Directors

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

Name	Period of Directorship
Mr. David Allman (<i>Chairman Non Executive</i>)	Director since 17 November 2009
Mr. John Paul Marcantonio (<i>Chief Executive Officer & Managing Director</i>)	Director since 14 August 2020
Mr. Peter Landos (<i>Non Executive</i>)	Director since 01 May 2014
Mr. Thomas Stianos (<i>Non Executive</i>)	Director since 17 October 2017
Ms. Donna McMaster (<i>Non Executive</i>)	Director since 29 March 2018

Principal activities

During the financial half-year the principal continuing activities of the Group consisted of marketing, sales, manufacture and distribution of branded screening, architectural shading, commercial agricultural / horticultural fabric products to domestic and global markets.

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
Final dividend for the year ended 30 June 2020 of 1.0 cent per ordinary share (2019: 1.0 cent).	2,754	2,822

Review of operations

The profit for the Group after providing for income tax amounted to \$6,014,000 (31 December 2019: loss of \$2,648,000).

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.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2020 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.

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 immediately follows this 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

A handwritten signature in dark ink, appearing to read "D. T. Allman", written over a horizontal line.

David Allman
Chairman
22 February 2021

A handwritten signature in dark ink, appearing to read "John Paul Marcantonio", written over a horizontal line.

John Paul Marcantonio
Chief Executive Officer & Managing Director
22 February 2021



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22 February 2021

The Board of Directors
Gale Pacific Limited
145 Woodlands Drive
Braeside VIC 3195

Dear Board Members

Auditor's Independence Declaration to Gale Pacific Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Gale Pacific Limited.

As lead audit partner for the review of the financial statements of Gale Pacific Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Genevra Cavallo
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation
Member of Deloitte Asia Pacific Limited and the Deloitte organisation

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 2020 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

A handwritten signature in dark ink, appearing to read "D. T. Allman", written over a horizontal line.

David Allman
Chairman
22 February 2021

A handwritten signature in dark ink, appearing to read "John Paul Marcantonio", written over a horizontal line.

John Paul Marcantonio
Chief Executive Officer & Managing Director
22 February 2021

Gale Pacific Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



		Consolidated	
	Note	31 Dec 2020	31 Dec 2019
		\$'000	\$'000
Revenue			
Sale of goods		106,064	62,342
Other income		469	769
Expenses			
Raw materials and consumables used		(55,941)	(29,708)
Employee benefits expense		(18,655)	(16,154)
Depreciation and amortisation expense		(4,982)	(5,924)
Marketing and advertising		(773)	(1,368)
Occupancy costs		(1,451)	(1,585)
Warehouse and related costs		(7,581)	(5,626)
Other expenses		(7,427)	(5,226)
Finance costs		(964)	(1,090)
Profit/(loss) before income tax (expense)/benefit		8,759	(3,570)
Income tax (expense)/benefit		(2,745)	922
Profit/(loss) after income tax (expense)/benefit for the half-year attributable to the owners of Gale Pacific Limited		6,014	(2,648)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in the fair value of cash flow hedges taken to equity, net of tax		(265)	(147)
Foreign currency translation		(3,700)	(647)
Other comprehensive income for the half-year, net of tax		(3,965)	(794)
Total comprehensive income for the half-year attributable to the owners of Gale Pacific Limited		2,049	(3,442)
		Cents	Cents
Basic earnings per share	6	2.18	(0.95)
Diluted earnings per share	6	2.06	(0.95)

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

	Consolidated	
Note	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Assets		
Current assets		
Cash and cash equivalents	27,717	27,811
Trade and other receivables	38,048	39,603
Inventories	46,187	48,699
Derivative financial instrument - cash flow hedges	1,535	-
Current tax asset	540	-
Prepayments	2,275	2,221
Total current assets	116,302	118,334
Non-current assets		
Property, plant and equipment	30,135	32,354
Intangibles	7,909	8,119
Right-of-use assets	18,708	21,780
Deferred tax	7,183	11,100
Total non-current assets	63,935	73,353
Total assets	180,237	191,687
Liabilities		
Current liabilities		
Trade and other payables	27,290	23,427
Borrowings	17,046	23,274
Lease liabilities	3,606	3,830
Derivative financial instrument - cash flow hedges	775	595
Current tax liabilities	450	1,023
Employee benefits	3,347	3,896
Provisions	573	144
Total current liabilities	53,087	56,189
Non-current liabilities		
Borrowings	14,558	19,824
Lease liabilities	16,859	19,338
Deferred tax	7,104	7,765
Employee benefits	225	205
Total non-current liabilities	38,746	47,132
Total liabilities	91,833	103,321
Net assets	88,404	88,366
Equity		
Issued capital	63,068	63,068
Reserves	647	3,992
Retained profits	24,689	21,306
Total equity	88,404	88,366

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

Gale Pacific Limited
Statement of changes in equity
For the half-year ended 31 December 2020



Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2019	65,097	4,070	21,030	90,197
Loss after income tax benefit for the half-year	-	-	(2,648)	(2,648)
Other comprehensive income for the half-year, net of tax	-	(794)	-	(794)
Total comprehensive income for the half-year	-	(794)	(2,648)	(3,442)
<i>Transactions with owners in their capacity as owners:</i>				
Enterprise Reserve Transfers	-	212	(212)	-
Share Buy Back	(2,013)	-	-	(2,013)
Dividends paid (note 5)	-	-	(2,822)	(2,822)
Balance at 31 December 2019	63,084	3,488	15,348	81,920
Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2020	63,068	3,992	21,306	88,366
Profit after income tax expense for the half-year	-	-	6,014	6,014
Other comprehensive income for the half-year, net of tax	-	(3,965)	-	(3,965)
Total comprehensive income for the half-year	-	(3,965)	6,014	2,049
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 7)	-	743	-	743
Enterprise Reserve Transfers	-	(123)	123	-
Dividends paid (note 5)	-	-	(2,754)	(2,754)
Balance at 31 December 2020	63,068	647	24,689	88,404

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

	Consolidated	
Note	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Cash flows from operating activities		
Profit/(loss) before income tax (expense)/benefit for the half-year	8,759	(3,570)
Adjustments for:		
Depreciation and amortisation	4,982	5,924
Share-based payments	743	-
Foreign currency differences	446	(20)
Interest and other finance costs	964	1,090
	15,894	3,424
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,555	(1,699)
Decrease/(increase) in inventories	2,512	(4,577)
Increase in derivative assets	(1,535)	(9)
Increase in prepayments	(54)	(664)
Increase in trade and other payables	3,863	3,747
Decrease in derivative liabilities	(85)	(274)
Decrease in employee benefits	(529)	(424)
Increase/(decrease) in other provisions	429	(150)
	22,050	(626)
Interest and other finance costs paid	(964)	(1,090)
Income taxes paid	(602)	(1,920)
Net cash from/(used in) operating activities	20,484	(3,636)
Cash flows from investing activities		
Payments for property, plant and equipment	(1,151)	(1,692)
Payments for intangibles	(408)	(446)
Proceeds from disposal of property, plant and equipment	3	240
Net cash used in investing activities	(1,556)	(1,898)
Cash flows from financing activities		
Proceeds from borrowings	-	6,582
Proceeds/(repayment) of leases	(2,703)	(2,378)
Payments for share buy-backs	-	(2,013)
Dividends paid	(2,754)	(2,822)
Repayment of borrowings	(11,494)	(6,680)
Net cash used in financing activities	(16,951)	(7,311)
Net increase/(decrease) in cash and cash equivalents	1,977	(12,845)
Cash and cash equivalents at the beginning of the financial half-year	27,811	29,846
Effects of exchange rate changes on cash and cash equivalents	(2,071)	19
Cash and cash equivalents at the end of the financial half-year	27,717	17,020

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

Note 1. General information

The financial statements cover Gale Pacific Limited ('Company' or 'parent entity') and controlled entities (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

The Company is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office is:

145 Woodlands Drive
Braeside, VIC 3195

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 22 February 2021. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 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 2020 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 principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business

This Standard makes amendments to AASB 3 Business Combinations (August 2015). These amendments arise from the issuance of International Financial Reporting Standard Definition of a Business (Amendments to IFRS 3) by the International Accounting Standards Board (IASB) in October 2018.

The amendment requires an entity to:

- Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs
- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs
- Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired
- Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs
- Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business

The Group has assessed the impact of **AASB 2018-6 Amendments** and determined there is no impact to the financial statements.

Note 2. Significant accounting policies (continued)

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

The Group has assessed the impact of **AASB 2018-7 Amendments** and determined there is no impact to the financial statements.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework

This Standard makes amendments to the Australian Accounting Standards, Interpretations and other pronouncements listed on pages 6 to 7 of the Standard.

These amendments arise from the issuance of the Conceptual Framework for Financial Reporting and the International Financial Reporting Standard Amendments to References to the Conceptual Framework in IFRS Standards by the International Accounting Standards Board (IASB) in March 2018.

The Group has assessed the impact of **AASB 2019-1 Amendments** and determined there is no impact to the financial statements.

AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform

This Standard makes amendments to AASB 7 Financial Instruments: Disclosures (August 2015), AASB 9 Financial Instruments (August 2015) and AASB 139 Financial Instruments: Recognition and Measurement (August 2015).

These amendments arise from the issuance of International Financial Reporting Standard Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) by the International Accounting Standards Board (IASB) in September 2019.

The Group has assessed the impact of **AASB 2019-3 Amendments** and determined there is no impact to the financial statements.

AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

This Standard makes amendments to AASB 1054 Australian Additional Disclosures (May 2011).

The AASB decided to add an additional disclosure requirement to AASB 1054 on the potential effect on an entity's financial statements of issued IFRS Standards that have not yet been issued by the AASB. This is to ensure that IFRS compliance can be maintained automatically when for-profit publicly accountable entities comply with Australian Accounting Standards.

The Group has assessed the impact of **AASB 2019-5 Amendments** and determined there is no impact to the financial statements.

Comparatives

Where necessary, the comparative statement of profit or loss and other comprehensive income has been reclassified and repositioned for consistency with the current period disclosures.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into four operating segments, identified by geographic location and identity of the service line manager, together with Corporate. These operating segments are based on the internal reports that are reviewed and used by the Group Managing Director (who is identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Group operates predominantly in one market segment, being branded shading, screening and home improvement products.

The CODM reviews revenue and segment earnings, before interest, tax, depreciation and amortisation ('EBITDA'). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

To continuously improve the transparency of the Group's management reporting GALE Pacific Limited follows an activity-based allocation method of reporting. Intersegment sales/margin and central costs are allocated to external revenue generating segments where the final economic benefit is derived. This enhanced method of reporting is being used by the CODM, to target product costing, product line profitability analysis, customer profitability analysis, and service pricing structures.

The operating segments are as follows:

Australasia	Manufacturing and distribution facilities are located in Australia, and distribution facilities are located in New Zealand. Sales offices are located in all states in Australia and in New Zealand.
Eurasia	Sales distribution based in China and Australasia, servicing European and Asian countries.
Americas	Sales offices are located in Florida. Custom blind assembly and distribution facilities are located in both California and Florida which service the North American region.
MENA - Middle East / North Africa	A sales office and distribution facility is located in the United Arab Emirates to service this market.

The 'Other Segments' represents Corporate and Intersegment eliminations.

Discrete financial information about each of these segments is reported on a monthly basis.

Major Customers

As at 31 December 2020 approximately 41% (FY2020: 44%) of the Group's external revenue was derived from sales to two customers (FY2020: Two), one customer located in the Australasian region and one customer located in the Americas region.

Note 3. Operating segments (continued)

Operating segment information

	Australasia \$'000	Americas \$'000	MENA \$'000	EurAsia \$'000	Other segments \$'000	Total \$'000
Consolidated - 31 Dec 2020						
Revenue						
Sales to external customers	62,402	36,993	4,406	2,263	-	106,064
Total revenue	62,402	36,993	4,406	2,263	-	106,064
Segment EBITDA	11,612	3,602	1,062	489	(2,060)	14,705
Depreciation and amortisation	(2,197)	(2,538)	(136)	(111)	-	(4,982)
Finance costs	(431)	(489)	(28)	(16)	-	(964)
Profit/(loss) before income tax expense	8,984	575	898	362	(2,060)	8,759
Income tax expense						(2,745)
Profit after income tax expense						6,014
Assets						
Segment assets	55,287	53,274	11,726	34,699	25,251	180,237
Total assets						180,237
Liabilities						
Segment liabilities	27,726	22,132	527	13,098	28,350	91,833
Total liabilities						91,833
Consolidated - 31 Dec 2019						
Revenue						
Sales to external customers	36,757	17,461	5,791	2,333	-	62,342
Total revenue	36,757	17,461	5,791	2,333	-	62,342
Segment EBITDA	3,993	(1,139)	1,521	623	(1,554)	3,444
Depreciation and amortisation	(2,343)	(3,121)	(299)	(161)	-	(5,924)
Finance costs	(416)	(538)	(55)	(24)	(57)	(1,090)
Profit/(loss) before income tax benefit	1,234	(4,798)	1,167	438	(1,611)	(3,570)
Income tax benefit						922
Loss after income tax benefit						(2,648)
Consolidated - 30 Jun 2020						
Assets						
Segment assets	45,575	74,139	15,871	36,185	19,917	191,687
Total assets						191,687
Liabilities						
Segment liabilities	23,814	32,481	639	15,072	31,315	103,321
Total liabilities						103,321

Note 4. Current assets - Inventories

A provision for impairment of \$2,578,000 was taken against personal protective equipment during the half year ended 31 December 2020.

Note 5. Equity - dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
Final dividend for the year ended 30 June 2020 of 1.0 cent per ordinary share (2019: 1.0 cent).	2,754	2,822

Note 6. Earnings per share

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
Profit/(loss) after income tax attributable to the owners of Gale Pacific Limited	6,014	(2,648)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	275,391,310	279,950,350
Adjustments for calculation of diluted earnings per share:		
Performance rights	17,234,971	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	292,626,281	279,950,350

Ordinary shares as at 31 December 2019 were anti-dilutive and therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

	Cents	Cents
Basic earnings per share	2.18	(0.95)
Diluted earnings per share	2.06	(0.95)

Note 7. Share-based payments

In this reporting period, there were two long term incentive plans granted to the senior executives and the CEO&MD of the company.

Performance Rights Plan

In October 2020, 1,758,000 performance rights were granted to senior executives (excluding the CEO&MD) under the Company's Performance Rights Plan scheme for a three year period to 30 June 2023 subject to meeting the two vesting conditions (performance hurdle and time hurdle) outlined below.

Performance hurdle - The constant annual growth rate (CAGR) of the EPS over the relevant performance period should be between a minimum of over 3% to a maximum of 10%. The vesting % will be prorata of 0% at CAGR 3% or below to a maximum of 100% for a CAGR 10% or above.

Time hurdle - Continuous employment from the grant date to 30 September 2023.

Note 7. Share-based payments (continued)

Three Year Incentive arrangement

In December 2020, 14,000,000 performance rights were granted to the CEO (who is also the MD of the Group), replacing the existing short term incentive and performance rights plan scheme for a three year period to 30 June 2023 for vesting purposes.

The vesting % was determined based on the total shareholder return (TSR) threshold of 25% at which 25% of the rights vest and for each additional whole 1% of TSR above the threshold will add 0.32% of vesting to a maximum of 100% of the rights vesting at a TSR of 260%.

The fair value of the Three Year Incentive arrangement was estimated at the grant date using the Monte-Carlo simulation.

Dividend yield - 3.704%

Expected volatility - 54.873%

Risk free interest rate - 0.165%

Summary of performance rights

Type of rights	Grant Date	Fair Value
Senior executive rights scheme	13/11/2018	\$0.350
Senior executive rights scheme	16/01/2020	\$0.300
Senior executive rights scheme	30/10/2020	\$0.233
CEO&MD Three Year Incentive	23/12/2020	\$0.189

Total expense of \$743,000 was recognised for the above schemes and performance rights for the half year ended 31 December 2020.

Note 8. Events occurring after reporting date

No matters or circumstances, other than those disclosed elsewhere in this interim financial report, have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.



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Independent Auditor's Review Report to the members of Gale Pacific Limited

Conclusion

We have reviewed the half-year financial report of Gale Pacific Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8 to 18.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 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 Half-year Financial Report* section of our report. We are independent of the Group in accordance with 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities 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.

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Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2020 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Genevra Cavallo

Genevra Cavallo
Partner
Chartered Accountants
Melbourne, 22 February 2021