

GALE PACIFIC LIMITED

(ASX: GAP)

ASX and Media Release

19 October 2023

GALE Pacific 2023 Annual General Meeting – Chairman’s Address

As I reported in the Annual Report, the FY23 profit result was disappointing and well below our expectations at the start of the year. This was mainly due to a below forecast second half of the year in the Americas region as that market shifted markedly post pandemic with revenue adversely impacted by cost inflation impacting consumer demand, associated retailer de-stocking and also poor weather conditions during critical summer trading months.

We have identified the Americas region as having the most growth potential and have allocated significant additional resources to that market to enable us to capitalise on that potential. The structure of the Americas team is now complete and is headquartered at a new office in Charlotte, North Carolina.

Directors recently travelled to Charlotte to meet with the new leaders of the Americas team and we came away confident in their ability to deliver on the opportunity in that market.

Our Group management team faced a very challenging post pandemic FY23 year while executing restructuring programs with professionalism in Australia, the United States and at our production facility in China.

Our investments in new product development and innovation are coming to market and are allowing us to enter new product categories and drive growth in existing categories.

Overall, we remain confident in our objective for GALE to become a fast-growing, world-class fabrics technology company.

Difficult retail trading conditions in the Americas are continuing during the first half of FY24, which combined with a lower grain harvest in Australia leading to reduced demand for grain covers, is adversely impacting first half trading. However overall, we are anticipating higher revenue and profit in FY24.

I would like to thank our management team and all our employees worldwide for their continued commitment to improving the Company and their resilience during a very difficult year.

I would also like to thank my fellow Directors for their contribution, support and valued perspective throughout the past year.

Finally, I would like to thank our suppliers, external stakeholders, partners and you, our shareholders, for your continued support of GALE Pacific.

I will now hand over to John Paul to take you through the Company's strategy, progress against our key initiatives and provide a trading update.

- ENDS –

Authorised for release by the Board of GALE Pacific Limited.

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ABOUT GALE PACIFIC

GALE Pacific is a market-leading manufacturer of technical fabrics used for consumer and commercial applications around the world. Founded in Melbourne, Australia in 1951, today GALE has operations in Australia, New Zealand, the United States, China, and Dubai and employs more than 600 people worldwide. GALE's products are sold across Australia, New Zealand, Asia, the Americas, Europe, the Middle East, and a growing number of additional markets.

GALE's products are recognised around the world for their innovative technology, quality, durability, and reliability. The company's consumer products, marketed under the Coolaroo® brand, include outdoor roller shades, shade sails, shade and garden fabrics, shade structures and pet products. They can be found at market leading major retailers, both in-store and online, around the world.

The Company's commercial products, marketed under the GALE Pacific Commercial® brand, include knitted, coated, and advanced polymer fabrics used in a growing number of applications across the agricultural, horticultural, aquacultural, architectural, construction, mining, and packaging industries.

GALE's core strategy is to accelerate its growth as a world-class global fabrics technology business through product innovation, category expansion, expanded distribution in existing and new markets, and improved operational efficiency and flexibility.

GALE Pacific Limited's shares are listed on the Australian Securities Exchange (code: GAP).