# Quarterly Activity Report and Appendix 4C

GALE Pacific Limited (ASX:GAP) (**GALE**, **GAP** or the **Company**) attaches its Quarterly Activity Report and Appendix 4C (**Quarterly Cash Flow Report**) for the quarter ended 30 September 2026 (**Q1 FY27**).

This Quarterly Cash Flow Report has been authorised for release by GALE Pacific's Board of Directors.

**For further information:**

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# GALE PACIFIC LIMITED (ASX: GAP)

## Q1 FY27 Update – Continued Cash Generation and First Order from a New US Customer

*Note: results presented in this update are unaudited.*

GALE delivered positive operating cash flow in the September 2026 quarter, further strengthening its net cash position through continued discipline in cost, working capital and cash management.

## Highlights

- Operating cash inflow of $3.5 million.
- Net cash of $8.2 million at 30 September 2026, up from $4.9 million at 30 June 2026.
- First purchase order received from US customer Menards of approximately US$0.5 million.
- Strong Commercial performance in ANZ, led by Grain fabric sales.

## Cash Flow and Financial Position

Operating cash inflow for the quarter was $3.5 million, after lease payments of $1.9 million, lifting cash and cash equivalents to $21.2 million. Net cash increased to $8.2 million with unused financing facilities of $28.7 million available at quarter end.

Payments to related parties disclosed in Appendix 4C item 6.1 represent Directors' fees.

## Operational Update

### Americas

GALE received its first purchase order from Menards, the third largest home improvement retailer in the US, valued at approximately US$0.5 million following the announcement of this new partnership in the Company's FY26 results. Together with supply agreements with Do it Best and Orgill, this broadens GALE's presence with US home improvement and hardware retailers.

Retail demand across key US customers remained subdued, reflecting the continued softness in consumer confidence and discretionary spending noted at the FY26 results. The Commercial business performed in line with expectations and direct-to-consumer sales through coolaroo.com continued to grow.

### ANZ

The Commercial business performed strongly, led by Grain fabric volumes ahead of the Australian winter crop harvest.

Recent consumer sell-through in key Retail categories, including shade fabric and outdoor roller shades, has been encouraging heading into summer. The Bureau of Meteorology has confirmed El Niño conditions and is forecasting above-average temperatures across most of Australia for the remainder of 2026. The Company is focused on supporting its retail partners through the peak selling period.

### Developing Markets

Developing Markets made a solid start to FY27, building on the recovery in customer demand in the second half of FY26. Conditions deteriorated later in the quarter as geopolitical tensions in the Middle East escalated, with some customer orders and projects deferred. The Company continues to monitor developments closely while building its pipeline across the Middle East and Asia.

## Outlook

GALE enters the remainder of FY27 with a stronger balance sheet and a continued focus on disciplined execution and growth. The Company will provide a broader update on trading and strategic priorities at its Annual General Meeting in November 2026.

GALE Pacific Chief Executive Officer Troy Mortleman said:

*“The September quarter again demonstrated the cash discipline we have built into the business, with our net cash position strengthening to $8.2 million.”*

*“Receiving our first order from Menards is an important step in broadening our presence with major US home improvement retailers. A key priority we outlined at our FY26 results is driving end-user demand for our brands and products to lift sell-through for our retail partners. This remains our primary focus as we head into the Australian peak trading period.”*

# Appendix 4C

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

| **Name of entity** | |
|---|---|
| GALE PACIFIC LIMITED | |
| **ABN** | **Quarter ended ("current quarter")** |
| 082 263 778 | 30 September 2026 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (3 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | 39,256 | 39,256 |
| 1.2 | Payments for | | |
| | (a) research and development | (206) | (206) |
| | (b) product manufacturing and operating costs | (22,362) | (22,362) |
| | (c) advertising and marketing | (737) | (737) |
| | (d) leased assets | (1,920) | (1,920) |
| | (e) staff costs | (7,373) | (7,373) |
| | (f) administration and corporate costs | (2,659) | (2,659) |
| 1.3 | Dividends received (see note 3) | | |
| 1.4 | Interest received | | |
| 1.5 | Interest and other costs of finance paid | (584) | (584) |
| 1.6 | Income taxes paid | 99 | 99 |
| 1.7 | Government grants and tax incentives | | |
| 1.8 | Other (provide details if material) | | |
| **1.9** | **Net cash from / (used in) operating activities** | **3,514** | **3,514** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | | |
| | (b) businesses | | |
| | (c) property, plant and equipment | | |
| | (d) investments | | |
| | (e) intellectual property | | |
| | (f) other non-current assets | | |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | | |
| | (b) businesses | | |
| | (c) property, plant and equipment | 2 | 2 |
| | (d) investments | | |
| | (e) intellectual property | | |
| | (f) other non-current assets | | |
| 2.3 | Cash flows from loans to other entities | | |
| 2.4 | Dividends received (see note 3) | | |
| 2.5 | Other (provide details if material) | | |
| **2.6** | **Net cash from / (used in) investing activities** | **2** | **2** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | | |
| 3.2 | Proceeds from issue of convertible debt securities | | |
| 3.3 | Proceeds from exercise of options | | |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | | |
| 3.5 | Proceeds from borrowings | | |
| 3.6 | Repayment of borrowings | (1,763) | (1,763) |
| 3.7 | Transaction costs related to loans and borrowings | | |
| 3.8 | Dividends paid | | |
| 3.9 | Other (provide details if material) | | |
| **3.10** | **Net cash from / (used in) financing activities** | **(1,763)** | **(1,763)** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 19,692 | 19,692 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 3,514 | 3,514 |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 2 | 2 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (1,763) | (1,763) |
| 4.5 | Effect of movement in exchange rates on cash held | (266) | (266) |
| **4.6** | **Cash and cash equivalents at end of period** | **21,179** | **21,179** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 21,179 | 19,692 |
| 5.2 | Call deposits | | |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (provide details) | | |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **21,179** | **19,692** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 104 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | 41,655 | 13,000 |
| 7.2 | Credit standby arrangements | | |
| 7.3 | Other (please specify) | | |
| 7.4 | **Total financing facilities** | 41,655 | 13,000 |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | 28,655 |

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

No additional financing facilities were entered into during the quarter ended 30 September 2026 or subsequent to quarter end.

| Lender | Amount A$000s | Interest Rate % | Maturity DD/MM/YY | Comment |
|---|---|---|---|---|
| HSBC AUS | 5,500 | 7.1% | 14/10/2026 | Secured - Working Capital |
| HSBC AUS | 7,500 | 7.1% | 4/12/2026 | Secured - SBLC (HSBC China) |

The facilities drawn on HSBC Australia are asset-based financing, which revolves monthly, secured by the working capital of Gale Pacific Australia. The $7.5m SBLC is issued by HSBC Australia in support of HSBC China facilities.

No facilities were drawn on in HSBC USA and HSBC China as at end of 30 September 2026.

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | 3,514 |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 21,179 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | 28,655 |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 49,834 |
| 8.5 | **Estimated quarters of funding available (item 8.4 divided by item 8.1)** | N/A |

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

| | |
|---|---|
| 8.6.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? |
| Answer: N/A | |
| 8.6.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? |
| Answer: N/A | |

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **30 October 2026**

Authorised by: **the Board of Directors**

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.