

GALE PACIFIC LIMITED

(ASX: GAP)

ASX and Media Release

19 November 2021

2021 ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS

The 2021 financial year was an extraordinary period as the COVID-19 pandemic disrupted our business and those of our suppliers and customers. During this period, we focused on keeping our people safe, with the health and safety of our employees and other stakeholders our top priority.

Despite the difficult conditions, our strategy of building GALE into a growing global fabrics technology business provided an impressive return on investment and delivered strong financial results with earnings per share increasing from 1.3 cents in the prior year to 4.5 cents.

In addition, the business generated net cash from operating activities of \$34.6 million which enabled the company to complete the year with a net cash balance of \$1.5 million. Shareholders received 4 cents per share in dividends compared with 1 cent per share in the prior year.

This excellent performance gives us confidence that our strategy is right and we believe that the company has substantial potential for further growth, particularly in the Americas.

While our Managing Director, John Paul Marcantonio, will take you through the results in more detail, our strategies delivered substantial increases in revenue in the Americas and in Australia and New Zealand. This was driven by investment in new products for consumer and commercial markets and gaining broader retail distribution. We also benefited from record demand for coated fabrics used in grain handling following a record Australian grain harvest.

On behalf of the Board, I would like to acknowledge the commitment, resilience and adaptability of everybody at GALE Pacific during the 2021 financial year. Under the leadership of John Paul Marcantonio, the team continued to innovate and develop new ways of working during the extended shutdowns and lockdowns.

I would also like to acknowledge my fellow Board members for their support.

Following on from the excellent results achieved in the 2021 financial year, it is disappointing to report that the 2022 year will not achieve the same level of profitability. While revenue is expected to maintain the buoyant level of 2021, input costs, particularly related to logistics and shipping have risen dramatically and well beyond price increases consistent with our marketing objectives. We do believe that many of the additional costs will reverse but it is very difficult to know when.

While management is addressing these factors, we are confident of our strategy and continue to invest for future growth through investment in new product development and in sales and marketing resources, which of course increases costs.

We remain focused on growth opportunities in the Americas and elsewhere as we continue our plan to become a larger and stronger company.

The Board remains focused on driving strategies to enhance long term shareholder value. We are very confident of the further growth potential of the business.

-Ends

Authorised by the GALE Pacific Board of Directors

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).

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