29 July 2026

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 June 2026 (**Q4**).

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

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GALE PACIFIC LIMITED (ASX: GAP)

Q4 FY26 Update – Disciplined Execution Delivers Stronger Cash Flow and Liquidity

Note: results presented in this update are unaudited.

The Company generated strong operating cash flow in the June 2026 quarter, reflecting the ongoing benefits of disciplined execution against its corporate strategy announced in 2025.

Continued focus on cost management, working capital efficiency and supply chain optimisation contributed to improved liquidity, reduced borrowings and a materially stronger balance sheet position entering FY27.

Highlights

- Q4 FY26 operating cash inflow of $4.1 million.
- FY26 operating cash flow of $14.4 million after lease payments.
- Borrowings reduced by more than $12 million during FY26.
- Improved liquidity and a materially stronger balance sheet position entering FY27, including a closing net cash position of $4.9 million.
- Underlying demand across the Americas remained resilient throughout FY26.
- ANZ continued to perform broadly in line with expectations.
- Customer demand within Developing Markets recovered following disruption experienced earlier in the year from conflict in the Middle East.
- Increasing management focus on growth opportunities while maintaining operational and financial discipline.

Improving Cash Flow and Financial Position

The Company generated operating cash inflow of $4.1 million during the June quarter, resulting in FY26 operating cash flow of $14.4 million after lease payments.

The strong cash flow outcome reflected the continued benefits of the Company's operating model reset, including disciplined cost management, improved working capital efficiency and ongoing supply chain optimisation.

Throughout FY26, GALE continued to improve working capital efficiency and optimise inventory levels across its global supply chain. These initiatives contributed to stronger cash conversion, improved liquidity and a reduction in borrowings of more than $12 million during the year.

The Company finished FY26 with a net cash position of $4.9 million and increased funding capacity under its banking facilities. Combined with disciplined working capital management, GALE's balance sheet is materially stronger entering FY27.

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

Operational Update

Americas

Underlying demand across the Company's key Americas markets remained resilient throughout FY26 despite ongoing macroeconomic uncertainty. The Group continued to focus on improving inventory efficiency across the end-to-end supply chain, supporting healthier inventory positions within both the Group and its retail channels and reinforcing a more sustainable demand profile.

The Commercial business continued to perform well during the year and management remained focused on expanding growth opportunities across both traditional retail and direct-to-consumer channels.

During the quarter, the Company received additional tariff refunds relating to previously paid US import duties. These receipts contributed positively to cash flow during the period.

ANZ

The ANZ business continued to perform broadly in line with expectations during the quarter.

Management remained focused on disciplined execution across both Retail and Commercial channels while continuing to pursue growth opportunities in attractive market segments.

Developing Markets

Trading conditions in Developing Markets remained impacted by conflict in the Middle East.

While these conditions adversely affected FY26 performance, customer demand recovered following the significant disruption experienced earlier in the year. The Company continues to monitor geopolitical developments closely but does not currently view these impacts as structural in nature.

Strategic Progress

During FY26, GALE continued to execute initiatives aimed at improving profitability, strengthening its supply chain, enhancing cash generation and reducing working capital requirements.

The benefits of these initiatives are increasingly evident through stronger cash flow, improved liquidity, lower borrowings and a stronger balance sheet position.

As these foundations continue to strengthen, management's focus is increasingly shifting towards sustainable growth opportunities across the Group's key markets while maintaining the operational and financial discipline established during FY26.

Outlook

GALE enters FY27 with a materially stronger balance sheet, improved liquidity and enhanced financial flexibility.

While geopolitical and macroeconomic uncertainties remain, the Company is well positioned to build on the progress achieved during FY26 through continued disciplined execution and an increasing focus on growth initiatives across its global markets.

GALE Pacific Chief Executive Officer Troy Mortleman said:

> *"FY26 was a year of disciplined execution across the Group. Our focus on cost management, working capital efficiency and supply chain optimisation has delivered stronger cash generation, reduced borrowings and a materially stronger balance sheet position."*
>
> *"Importantly, these outcomes have strengthened the foundations of the business and increased our financial flexibility as we enter FY27."*
>
> *"While we remain mindful of ongoing geopolitical and macroeconomic uncertainty, the progress achieved during FY26 provides a stronger platform from which to pursue growth opportunities while maintaining the operational and financial discipline that has underpinned our performance during the year."*

-ends

This announcement has been authorised for release to the market by the Board of Gale Pacific Limited.

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 June 2026

Consolidated statement of cash flows			Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		37,485	173,904
1.2	Payments for			
	(a)	research and development	(216)	(736)
	(b)	product manufacturing and operating costs	(19,549)	(101,908)
	(c)	advertising and marketing	(735)	(2,383)
	(d)	leased assets	(1,725)	(7,010)
	(e)	staff costs	(7,573)	(34,465)
	(f)	administration and corporate costs	(2,730)	(9,318)
1.3	Dividends received (see note 3)			
1.4	Interest received			
1.5	Interest and other costs of finance paid		(785)	(3,429)
1.6	Income taxes paid		(61)	(295)
1.7	Government grants and tax incentives			
1.8	Other (provide details if material)			
1.9	**Net cash from / (used in) operating activities**		**4,111**	**14,359**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities		
	(b)	businesses		
	(c)	property, plant and equipment	(189)	(905)
	(d)	investments		
	(e)	intellectual property		
	(f)	other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	101	172
	(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**	**(88)**	**(733)**

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	(2,834)	(12,184)
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**	**(2,834)**	**(12,184)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	18,228	18,603
4.2	Net cash from / (used in) operating activities (item 1.9 above)	4,111	14,359
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(88)	(733)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,834)	(12,184)
4.5	Effect of movement in exchange rates on cash held	275	(353)
4.6	**Cash and cash equivalents at end of period**	**19,692**	**19,692**

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	19,692	18,228
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)**	**19,692**	**18,228**

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** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *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	46,742	14,763
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	46,742	14,763

7.5	**Unused financing facilities available at quarter end**	31,979

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 June 2026 or subsequent to quarter end.

Lender	Amount A$000s	Interest Rate %	Maturity DD/MM/YY	Comment
HSBC USA	1,456	6.4%	7/07/2026	Secured - Working Capital
HSBC USA	1,456	6.4%	7/07/2026	Secured - Working Capital
HSBC USA	2,184	6.4%	7/07/2026	Secured - Working Capital
HSBC AUS	4,500	7.1%	16/07/2026	Secured - Working Capital
HSBC AUS	5,000	7.1%	5/09/2026	Secured - SBLC (HSBC China)
HSBC China	0	n/a	n/a	Secured - Land and Buildings
Insurance premium funding	168	6.8%	31/08/2026	Unsecured

The facilities drawn on HSBC USA and HSBC Australia are asset-based financing, which revolves monthly, secured by the working capital of Gale Pacific Australia and Gale Pacific USA.

The facilities drawn on HSBC China are working capital loans, which revolve every 3 months, secured by the Land and Buildings of Gale Pacific Special Textiles.

The maturity dates disclosed above reflect the position as at 30 June 2026. Revolving working capital facilities that matured after quarter end have subsequently been renewed in the ordinary course of business.

Group insurance premium funding facility is third party funding for insurance premiums which is classified as borrowings but not available for redraw.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	4,111
8.2	Cash and cash equivalents at quarter end (item 4.6)	19,692
8.3	Unused finance facilities available at quarter end (item 7.5)	31,979
8.4	Total available funding (item 8.2 + item 8.3)	51,671
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: **29 July 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.