

## NSW WAREHOUSING SITE CONSOLIDATION AND CAPACITY EXPANSION

Silk Logistics Holdings Limited (ASX: SLH) ('Silk', 'the Company' or 'the Group'), is pleased to announce the commencement of the site consolidation and capacity expansion of its NSW warehouse operations.

This initiative is the first step in delivering on a key part of the Company's IPO prospectus growth strategy<sup>1</sup> as well as improving operational efficiencies and lowering costs to serve.

Silk has entered into a contract for the purchase of an 11-hectare site at Kemps Creek, Sydney for \$58.0 million cash consideration.

A number of key milestones are planned over the next 3-year period including entering into a sale and leaseback agreement with a preferred take-out party, development of the site to accommodate purpose-built warehouses for Silk's operations and achievement of practical completion by Q4 2024. Discussions have commenced with several parties who have expressed their interest in a sale and lease back transaction. Silk will provide an update on the proposed sale and leaseback transaction in the 31 December 2021 Half Year Report.

**Silk Managing Director & CEO Brendan Boyd** said "This NSW property consolidation is an important strategic initiative as it secures a long-term presence for the Group's operations in a key growth corridor at a lower cost to serve, adds storage capacity for future growth and provides the opportunity to share in the development profit."

### Forward-Looking Statements

This announcement contains forward-looking statements, including references to expected outcomes. Forward-looking statements are not guarantees of future performance or events and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond SLH's control and speak only as of the date of this announcement. Readers are cautioned not to place undue reliance on forward-looking statements.

The release of this announcement has been authorised by the Board of Silk Logistics Holding Limited.

<sup>1</sup> Per IPO prospectus Growth Strategy – section 3.9

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