

## Acquisition of 101 Warehousing Pty Ltd

### Key Highlights:

- **SLH to acquire 101 Warehousing for \$10.5 million**
- **Highly complimentary fit for Silk increasing scale and revenue diversity**
- **Attractive acquisition multiple and earnings accretive**
- **Acquisition to be funded from bank facilities**

The Board of Directors of Silk Logistics Holdings Limited (ASX: SLH) (“SLH”, “Silk” or the “Company”) is pleased to announce that it has entered into a Share Purchase Deed to acquire 100% of the shares in 101Warehousing Pty Ltd (**101Warehousing**), a Victorian-based contract logistics service provider.

As foreshadowed at the Company’s Annual general Meeting in November 2021, the Company has a strategic focus on acquisition opportunities.

### 101Warehousing

101Warehousing was established in 2011 and provides warehousing and distribution services to the Fashion, Homewares and Toys sectors and is well positioned to leverage its significant B2C capability in the growing e-Commerce marketplace.

The Founders, Adrian Kagan and Bradley Kagan together with key executive Paul Dutton, will remain with the Company post acquisition and will provide a significant long-term contribution to the broader Silk operations through their supply chain expertise.

The 101Warehousing business model strongly aligns with SLH’s model, being agile, technology-enabled, customer-centric, and partners with blue chip customers.

Brendan Boyd, SLH CEO & Managing Director said “This acquisition of 101Warehousing is consistent with the Company’s Growth Strategy as presented in the IPO Prospectus and provides a number of opportunities to fast track the rapidly developing customer requirement for B2C / e-Commerce capabilities. In addition, 101Warehousing will provide growth opportunities in Silk’s integrated Port Logistics and Distribution services.”

### Acquisition Consideration

The acquisition price of \$10.5 million will be paid as follows:

- Up-front consideration represented by payment of \$1.3 million in cash and \$5.0 million payable in Company shares on Completion
- A deferred earn-out payment based on post-completion twelve-month earnings before interest, tax, depreciation and amortisation (‘EBITDA’) at a multiple of 4.2 times less the up-front consideration.

The cash consideration and acquisition costs are intended to be funded via a debt facility of \$1.7 million, and the Company intends to extend its existing bank guarantee facilities by \$1.5 million to accommodate 101Warehousing property leases.

The share consideration is to be issued at a price equivalent to the 5-day VWAP prior to signing and the earn out date respectively. These shares will be issued from the Company's existing LR7.1 capacity.

The acquisition is subject to customary conditions precedent including demonstrated trend towards projected earn-out EBITDA and obtaining consents to change of control for customer contracts and landlords. The acquisition is scheduled to complete on or around 1 February 2022.

**Managing Director & CEO**  
**Brendan Boyd**  
[investor@silkllogistics.com.au](mailto:investor@silkllogistics.com.au)

**Investor Relations**  
**Melanie Singh**  
**+61 439 748 819**  
[melanie@nwrcommunications.com.au](mailto:melanie@nwrcommunications.com.au)

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

### **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.