

MARKET RELEASE**SUPERIOR PROPOSAL FROM EC HEALTHCARE**

Adelaide, South Australia: 23 May 2023: SILK Laser Australia Limited (ASX:SLA) (**SILK**) announces that it has received a competing, non-binding and indicative proposal from EC Healthcare for the acquisition of 100% of the shares in SILK at an indicative offer price of \$3.35 cash per share (**EC Offer Price**), to be implemented by way of a scheme or arrangement (**EC Proposal**). EC Healthcare is listed on the Hong Kong stock exchange.

The EC Proposal allows for the payment by SILK of a fully franked dividend of up to a maximum of 10 cents per share (**Permitted Dividend**). If paid, the cash component of any such dividend will reduce the cash consideration under the EC Proposal.

The EC Offer Price is at a 6.3% premium to the cash consideration of \$3.15 offered under the Australian Pharmaceutical Industries Pty Limited (**API**) proposal.

The EC Proposal is subject to a number of conditions including:

- the completion of confirmatory due diligence;
- unanimous recommendation from the SILK Board in support of the offer, with appropriate fiduciary carveouts;
- entry into a Scheme Implementation Agreement (including break fee, exclusivity provisions and market standard conditions (i.e. no material adverse change, no prescribed occurrences, no material acquisitions / disposals, no regulatory intervention, no dividends / distributions (other than the Permitted Dividend), shareholder and court approval and any matters arising from confirmatory due diligence); and
- all necessary regulatory approvals being obtained.

After careful consideration and receiving advice from both its financial and legal advisers, the SILK Board has determined the EC Proposal to be a Superior Proposal for the purposes of, and as defined in, the Process Deed between SILK and API dated 19 April 2023 (**Process Deed**).

Pursuant to the terms of the Process Deed, SILK has notified API that the EC Proposal is a Superior Proposal, and API has until the date that is 5 Business Days after today's date, being Tuesday 30 May 2023 (**Cut Off Date**) to provide a proposal in response to SILK's notification (**API Matching Right**). In accordance with the terms of the Process Deed, SILK will determine in good faith whether any such proposal received from API before the Cut Off Date will provide an equivalent or superior proposal to the terms of the EC Proposal (**API Matching Right Process**).

SILK shareholders do not need to take any action at the current time. SILK will provide relevant updates to shareholders in respect of whether API exercises its API Matching Right and, if so, the outcome of SILK's determination under the API Matching Right Process.

The Board notes that there is no certainty that the engagement between SILK and EC Healthcare will result in a change of control transaction or an offer capable of acceptance by SILK shareholders.

Highbury Partnership is acting as financial adviser to SILK. Kain Lawyers is acting as legal adviser to SILK. Wilsons Corporate Finance Limited is acting as co-advisor.

—ENDS—

This announcement has been authorised for release by the Board of Directors of SILK Laser Australia Limited.

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SILK

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About SILK Laser

Founded in 2009, SILK is one of Australia's largest specialist clinic networks, offering a range of non-surgical aesthetic products and services. SILK's five core offerings comprise laser hair removal, cosmetic injectables, skin treatments, body contouring and skincare products.

Visit: www.silk laser.com.au/investors.

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