

2024 AGM Chair Address

Thank you for joining us today as we reflect on a year of continued growth for your company. It is my privilege to once again address you as Chair of Silk Logistics Holdings.

Before I delve into the details of Silk's recent performance, I would firstly like to speak to the Scheme arrangements Silk has entered into with DP World Australia.

As you are aware DP World Australia is seeking to acquire 100% of Silk's issued share capital by way of Scheme of arrangement.

DP World Australia currently operates 4 terminals and 3 container parks across Brisbane, Sydney, Melbourne and Fremantle, as well as certain inland distribution centres and warehouses. It is controlled by Dubai headquartered DP World, the 5th largest container port operator globally. The acquisition of Silk aligns with DP World's strategy to deliver complementary logistics solutions for a broad customer base across Oceania, enhancing their capabilities and solutions for customers.

As further detailed in the Scheme Implementation Deed released to the ASX on Monday 11 November, 2024, should the Scheme be implemented, Silk shareholders would receive a cash consideration of \$2.14 per Silk share, less any dividends, declared or paid, prior to implementation of the Scheme.

The Board carefully considered the proposal from DP World Australia and believes it represents an attractive outcome for Silk shareholders and compelling value for the Company, as it provides increased flexibility for Silk to execute on its growth strategy.

The Board strongly recommends that shareholders read the Scheme Implementation Deed carefully, noting that shareholders will be provided with a fulsome Scheme Booklet in the near future and be invited to attend a shareholder meeting to discuss and ultimately vote on the Scheme.

There will be time at the end of the AGM to address any questions you may have in relation to Silk's recent performance and the Scheme. I note however, that the Scheme remains subject to certain conditions including regulatory approvals and the Board and its management are unable to provide any information today regarding the Scheme that is not already mentioned in the announcement made to the ASX on 11 November 2024

As I reflect on the past year, I am pleased that Silk successfully continued our post-listing growth story amidst challenging global economic conditions. Since listing in July 2021, Silk has continually delivered on achieving operational and financial milestones and produced revenue and profit growth, with CAGRs between FY21 – FY24 of 14.54% and 9.38% respectively.

Over the past year, our company has experienced significant accomplishments, reinforcing our position as a leader in the logistics sector.

Despite the continuation of external headwinds in FY24, our business has demonstrated remarkable resilience. Our agile business model has enabled us to navigate through these challenging times, persistently win new business, and emerge stronger than our competitors.

In FY24 our financial highlights included:

- 13.9% y.o.y. increase in Revenue, to \$556.4 million
- 11.0% y.o.y. increase in Earnings before interest tax depreciation and amortisation ('EBITDA') to \$95.4 million
- an annual yield of 3.1% from our declared Dividend of 4.24 cents per share.

We remain committed to our strategy of delivering a market-leading customer experience while expanding our capabilities, services and footprint.

We demonstrated this strategic commitment by broadening our capabilities via the acquisition of Secon Freight Logistics at the beginning of FY24. Secon expanded our suite of capabilities into bulk logistics. As we continue to integrate Secon's strengths into our operations, we have been able to enhance our Port Logistics offer and commenced cross-selling in the bulk market.

Importantly, the addition of bulk capabilities bolsters our leading position as the only national integrated port-to-door logistics provider. John will provide further updates on Secon.

We firmly believe this acquisition will play a vital role in our long-term growth and profitability aspirations, adding further depth to our national service offer.

Our commitment to customers remains at the forefront of our activities. FY24 saw Silk continue to deliver new business wins with an impressive 95% repeat business from our existing customers. This demonstrates the stability and recurring nature of our revenues.

Importantly, in FY24 Silk witnessed 8% year on year revenue growth from our top 20 customers.

Silk's customer loyalty reflects the trust and confidence our customers have in our brand, especially amid the ongoing global supply chain challenges. We pride ourselves on a strong portfolio of loyal customers. In FY24 our average contracted relationship was 7.27 years. This stability not only provides us with a reliable revenue stream but also enhances our reputation for excellence. We remain committed to nurturing these long-term partnerships for continued success.

Our focus remains on expanding our capabilities, enhancing our customer offerings, and driving operational efficiency—especially through further integration of our recent acquisitions.

As we reflect on Silk's team and leadership, I want to extend my thanks to Brendan Boyd for his stewardship of Silk, from the pivotal 2014 management buy-out to the successful ASX listing in 2021 and beyond. Brendan's insights and expertise have been invaluable to Silk's success, and we are grateful he continues to assist us as a Non-Executive Director.

I would also like to thank John Sood for stepping into the CEO role and leading the Silk team through an, at times, challenging FY24.

I would like to recognise and thank the broader Silk team, management and my fellow directors who have worked consistently and efficiently throughout challenging conditions delivering results for both customers and shareholders.

Turning our attention back to the Scheme of arrangement with DP World Australia, Shareholders are currently not required to take any action.

A Scheme Booklet containing information relating to the proposed acquisition, the reasons for the Director's recommendation, an Independent Expert's Report, and details of the Scheme meeting will be prepared and provided to the Australian Securities and Investments Commission for review and subsequently sent to Silk shareholders.

Shareholders will then have the opportunity to vote on the Scheme at a Court-convened shareholder meeting. The date of this meeting is yet to be set. Once the date is known, shareholders will be provided a detailed timetable, contained within the Scheme booklet.

Subject to shareholder approval being obtained by the requisite majorities, and the other conditions of the Scheme being satisfied, the Scheme Meeting will be held, with the Scheme then expected to be implemented in Q3 FY2025.

As previously stated, shareholders are not required to take any action at this stage. Our current expectation is that the Scheme Meeting will be held in January 2025. Shareholders will receive notification of the actual date, and be provided with the Scheme Booklet, no less than 21 days prior to the date of the Scheme Meeting. These dates are obviously subject to various dependencies such as court and regulator approvals.

In closing, I want to express my deepest gratitude to our shareholders for your unwavering support and commitment. I am incredibly proud of our entire team for their hard work and dedication. I look forward to building on our success and seizing on opportunities for growth as they arise, delivering further value for our shareholders.

This announcement is authorised for release by the Board of Directors of Silk Logistics Holdings Limited.

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