

MARKET RELEASE**API DOES NOT EXERCISE MATCHING RIGHTS UNDER PROCESS DEED**

Adelaide, South Australia: 30 May 2023: SILK Laser Australia Limited (ASX:SLA) (**SILK**) announces that Australian Pharmaceutical Industries Pty Limited (**API**) has notified SILK that it has decided not to exercise its matching rights under the Process Deed between SILK and API dated 19 April 2023 (**Process Deed**).

As announced on 23 May 2023, SILK 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, to be implemented by way of a scheme of arrangement (**EC Indicative Proposal**). The SILK Board determined the EC Indicative Proposal to be a Superior Proposal for the purposes of, and as defined in, the Process Deed. Having executed a confidentiality agreement with EC Healthcare, SILK has granted due diligence access to EC Healthcare and is engaging with EC Healthcare in relation to the EC Indicative Proposal.

As required by the Process Deed, SILK notified API that the SILK Board had determined the EC Indicative Proposal to be a Superior Proposal and provided API until Tuesday 30 May 2023 to provide an equivalent or superior proposal in response to SILK's notification (**API Matching Right**).

API has notified SILK that it has decided not to exercise the API Matching Right. As a consequence, the Process Deed with API will terminate in accordance with its terms at the end of Thursday, 1 June 2023. Notwithstanding this, API has indicated to SILK that its due diligence investigations are ongoing.

SILK shareholders do not need to take any action at the current time. The Board notes that there is no certainty that SILK's engagement with either EC Healthcare or API 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.

Further information:**Investors**

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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.silkclaser.com.au/investors.