

12 January 2018

Takeover offer - Norwood Park Limited

Reference is made to the ASX announcement made by Propel Funeral Partners Ltd (ASX: PFP) (**Propel**) on 9 January 2018 regarding the execution by FV (ACT) Pty Ltd (**Bidder**) (a subsidiary of Propel) of call option deeds in connection with approximately 19.9% of the issued share capital of Norwood Park Limited (**Norwood Park**).

Propel is pleased to announce that the Bidder has made an all cash takeover offer for the entire issued share capital of Norwood Park at the same price per share payable under the call option deeds. If the entire issued share capital of Norwood Park is acquired, the total cash payable by the Bidder for the shares would be approximately \$13.65 million, which represents an enterprise value of approximately \$14.3 million. The proposed acquisition is expected to be accretive to Propel's earnings in year one.

Having announced the offer, the Bidder will exercise the options granted under the call options deeds as soon as reasonably practicable.

Propel's Head of M&A, Fraser Henderson, said "We look forward to continuing to work with Norwood Park's directors, shareholders and advisers with a view to completing an orderly transaction as soon as is practicable."

As previously disclosed, Norwood Park was established in 1964 and performs approximately 2,000 cremations and 300 burials per annum from leasehold properties comprising crematoria, memorial gardens and/or cemeteries in Canberra (ACT), Bathurst (NSW) and Ipswich (QLD).

Norwood Park generated revenue of approximately \$4.8 million in FY2017. Propel intends to fund the proposed transaction from cash reserves.

A copy of the conditions to the takeover offer are attached as Annexure 1 to this announcement.

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About Propel:

Propel is listed on the Australian Stock Exchange and is the second largest provider of death care services in Australia and New Zealand. Propel currently operates from 80 locations, including 19 crematoria and 5 cemeteries.

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Important notice:

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements. Forward-looking statements, including projections or guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Propel). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.

Annexure 1 - Conditions of the Offer

Conditions

Completion of the Offer will be conditional upon the satisfaction (or waiver by Bidco) of the following conditions:

- (a) (no prescribed occurrences) none of the following events occur between the date of the announcement of the bid and the end of the period in which the Offer is open:
 - a. Norwood Park converts all or any of its shares into a larger or smaller number of shares;
 - b. Norwood Park acquires another company or establishes a subsidiary;
 - c. Norwood Park resolves to reduce its share capital in any way;
 - d. Norwood Park:
 - i. enters into a buy-back agreement; or
 - ii. resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
 - e. Norwood Park issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than the issue of shares on the exercise of any options that are on issue as at the date of an announcement of the bid;
 - f. Norwood Park issues, or agrees to issue, convertible notes;
 - g. Norwood Park charges, or agrees to charge, the whole, or a substantial part, of its business or property (other than in connection with the borrowings referred to below or as revealed by inspection of any public registers as at 11 January 2018);
 - h. Norwood Park resolves to be wound up;
 - i. a liquidator or provisional liquidator of Norwood Park is appointed;
 - j. a court makes an order for the winding up of Norwood Park;
 - k. an administrator of Norwood Park is appointed under section 436A, 436B or 436C of the Corporations Act;
 - l. Norwood Park executes a deed of company arrangement; or
 - m. a receiver, a receiver and manager, or other controller (as defined in the Corporations Act) is appointed in relation to the whole, or a substantial part, of the property of Norwood Park;
- (b) (conduct of business) Norwood Park and its business continuing to be operated in the ordinary and normal course in the manner in which they were operated during the 12 months prior to 1 November 2017;
- (c) (tax returns) all tax returns and BAS statements for Norwood Park having been lodged when due, and the correct amount of tax having been paid in full;
- (d) (indebtedness) the only debt of Norwood Park being the debt owed to Westpac Banking Corporation and in respect of the hire purchase liabilities stated in the Management Accounts and the aggregate amount of those liabilities being not more than \$1.65 million at completion of the Offer;
- (e) (employee entitlements) Norwood Park's employee entitlements not being materially more than as stated in the Management Accounts;
- (f) (cremation liabilities) there being sufficient cash (off balance sheet) to fund the prepaid cremation liabilities, "sufficient" being the cash fund being equal to the sum of the pre-payments;
- (g) (Perpetual Care liability) the cash held by Norwood Park in connection with Perpetual Care (as that term is used in the Management Accounts) being at least the same as Norwood Park's liability in connection with Perpetual Care;
- (h) (Cash leakage) there is no cash 'leakage' (including in the form of dividends, shareholder loans or related party payments) to Norwood Park's related parties on or after 1 November 2017, other than the Permitted Dividend;

- (i) (Change of control consents) for each third party lease/contract to which Norwood Park is a party which requires consent to the change of control of Norwood Park:
 - a. the counterparties to all such leases/contracts have consented or approved in writing to the proposed change of control of Norwood Park as a result of the Offer becoming accepted and completed;
 - b. the consent or approval referred to in the immediately preceding paragraph is given prior to 31 March 2018; and
 - c. in connection with Norwood Park seeking the consent of any such counterparties, Bidco must do all things and sign all documents and make such disclosures, including of such information as is reasonable and prudent to persuade any such counterparty to give its approval or consent to the proposed “change of control” caused by the Offer becoming accepted and completed and otherwise provide all information reasonably requested by a counterparty, acknowledging though that no personal guarantee will be provided;
- (j) (Minimum acceptance condition) before the end of the period in which the Offer is open Bidco has relevant interests in at least 90% of the Shares;
- (k) (Power and capacity) each holder of Share warranting that:
 - a. it is the registered holder of all of the Shares held by it and has the legal right to sell the beneficial and legal interest of those Shares; and
 - b. it has the power and lawful authority to sell the Shares held by it;
- (l) (No regulatory action) between the date of the announcement of the bid and the end of the period in which the Offer is open:
 - a. there not being in effect any preliminary or final decision, order or decree issued by a public authority;
 - b. no action or investigation being announced, commenced or threatened by any public authority;
 - c. no application being made to any public authority (other than by Bidco or any associate of Bidco),
in consequence of or otherwise relating to the bid (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act or if the regulatory action results from action or inaction of Company or its associates relating to the bid) which:
 - i. restrains or prohibits or otherwise materially adversely impacts upon the making of the bid or the completion of any transaction contemplated by the
 - ii. bidder’s statement (including the acquisition of the Shares) or which threatens to do so; or
 - iii. seeks to require or approve the divestiture of any assets of Norwood Park or the corporate group of which Bidco is part.

Conditions subsequent

The above conditions are conditions subsequent. The non-fulfilment of the conditions subsequent does not, until the end of the Offer Period, prevent a contract from arising, but entitles Bidco by written notice to you, to rescind the contract resulting from your acceptance of this Offer. Each of the conditions in each paragraph and sub-paragraph above is a separate and independent condition and does not prevent a contract resulting from acceptance of the Offer from coming into effect but any breach or non-fulfilment of them entitles Bidco to rescind any contracts resulting from acceptance of the Offer. Subject to the Corporations Act, Bidco alone is entitled to the benefit of each of the above conditions, or to rely on any non-fulfilment of any of them. Each of the above conditions is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

ASX ANNOUNCEMENT



Definitions

In this annexure, capitalised words shall have the following meaning, unless the context otherwise admits:

Bidco means FV (ACT) Pty Ltd (ACN 623 138 125), a subsidiary of Propel Funeral Partners Ltd (ACN 616 909 310).

Offer means the offer for Shares under the terms and conditions contained in the bidder's statement.

Corporations Act means Corporations Act 2001 (Cth).

Management Accounts means the management accounts for Norwood Park prepared by the management of Norwood Park for the four month period ended 31 October 2017.

Norwood Park means Norwood Park Limited (ACN 008 439 441).

Permitted Dividend means a distribution, by way of a dividend (franked to the extent permissible and so that the franking account is not in deficit), of any after tax profits generated by the Target in the period between 1 November 2017 and:

- (a) 31 December 2017, if the end of the Offer Period is after 15 January 2018 but before 15 February 2018;
- (b) 31 January 2018, if the end of the Offer Period is after 15 February 2018 but before 15 March 2018; or
- (c) 28 February 2018, if the end of the Offer Period is after 15 March 2018 but before 15 April 2018.