

2 November 2020

Completion of the acquisition of the Dils Group

Propel Funeral Partners Limited (ASX: PFP) (**Propel**) is pleased to confirm that, further to its announcements on 14 October 2020 and 12 December 2018, it has earlier today completed the acquisition of the companies that own and operate the businesses trading as Dils Funeral Services, Schnapper Rock Cremations and Rowley Funeral Services, and certain freehold properties (**Dils Group**).

The Dils Group (which operates primarily on the North Shore of Auckland in New Zealand) and Mid West Funerals (which was recently acquired and operates from Geraldton in Western Australia), conduct approximately 800 funerals per annum and generated revenue of A\$6.8 million combined in their last financial year. Propel performed 13,299 funerals and generated revenue of A\$110.8 million in FY20, which only included a circa eight month contribution from two other acquisitions¹ completed in November 2019.

In connection with the acquisition of the Dils Group, Propel has issued 1,210,589 ordinary shares² to multiple vendors³, all of which are subject to voluntary escrow arrangements for up to 3 years⁴. Further information in relation to the issue of these escrowed shares are provided in the attached Cleansing Statement and the Appendix 2A released to the ASX today.

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About Propel:

Propel is listed on the Australian Securities Exchange and is the second largest private provider of death care services in Australia and New Zealand. Propel currently operates from 136 locations, including 31 cremation facilities and 9 cemeteries.

For further information, please contact:

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Authority to release:

This document has been authorised for release by the Company's board of directors.

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.

¹ Gregson & Weight and Grahams Funeral Services, which operate from the Sunshine Coast in Queensland and South Auckland in New Zealand, respectively.

² Increasing Propel's total number of shares on issue from 98,735,427 to 99,946,016.

³ Details were provided in Propel's Notice of 2019 Annual General Meeting dated 16 October 2019.

⁴ Subject to certain exceptions, one third of the escrowed shares will be released on 2 November 2021, one third will be released on 2 November 2022 and one third will be released on 2 November 2023. The ordinary shares, which were issued at A\$2.64 each (being the volume weighted average share price of ordinary shares traded in the capital of Propel for the 10 trading day period up to and including the business day prior to the date the sale agreement dated 11 December 2018 was executed), rank pari passu with Propel's other ordinary shares currently on issue.

SECTION 708A CLEANSING STATEMENT

This notice is given by Propel Funeral Partners Limited (ACN 616 909 310) (**Company**) under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Company hereby confirms that:

- (a) today, the Company issued 1,210,589 fully paid ordinary shares (**Shares**) at an issue price of \$2.64 per share to Lindsay Dil, Christine Dil and Prince & Partners Trustee Company Limited (as trustees of the After Africa Trust) (415,581 Ordinary Shares) and Stephen Dil, Heidi Dil and Prince & Partners Trustee Company Limited (as trustees of the Dil Investment Trust) (795,008 Ordinary Shares) in connection with the acquisition of the Dils Group (the agreed issue price of such ordinary shares was determined by reference to the volume weighted average share price of ordinary shares traded in the capital of the Company for the 10 trading day period up to and including the business day prior to the date the sale agreement was executed (i.e. 11 December 2018);
- (b) the Shares were issued without disclosure under Part 6D.2 of the Corporations Act;
- (c) the Company is providing this notice under paragraph 5(e) of section 708A of the Corporations Act;
- (d) as at the date of this notice, the Company, as a disclosing entity under the Corporations Act, has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act as it applies to the Company; and
- (e) as at the date of this cleansing statement, there is no excluded information of the type referred to in sections 708A(7) and 708A(8) of the Corporations Act.

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