

2 August 2022

## Cairns Acquisition

Propel Funeral Partners Limited (ASX: PFP) (**Propel**) is pleased to announce it has executed a conditional sale agreement to acquire the businesses, assets and related infrastructure (including two cremation facilities) associated with the businesses trading as Community Funerals and Cremation for Pets (**Businesses**). The Businesses operate from four locations in and around Cairns in Queensland, one of which will be acquired as part of the transaction and the other three will be leased.

Community Funerals was established in 2008 and performs approximately 250 funerals per annum. Cremation for Pets was established in 2017 and conducts approximately 400 pet cremations per annum. Together, the Businesses generate revenue of approximately \$1.7 million per annum and the acquisition will facilitate Propel's entry into a new market.

The total purchase price payable on completion of the transaction (**Completion**), including the acquisition of the freehold property, is circa \$2.7 million<sup>1</sup>, comprising:

- circa \$2.4 million<sup>1</sup> in cash payable on Completion; and
- 64,240 ordinary shares in the capital of Propel to be issued at \$4.67<sup>2</sup> each (**Issue Price**) on Completion, which will be subject to escrow arrangements for up to 3 years<sup>3</sup>.

In addition, an amount of up to \$0.23 million in cash will be payable if certain financial milestones are achieved during the 3 years following Completion.

Completion is expected to occur during Q2 FY23, following satisfaction (or waiver) of conditions such as confirmatory due diligence and consents from third parties such as lessors and government agencies. Propel intends to fund the cash amount payable on Completion from its debt facilities.

The transaction is Propel's seventh acquisition announced in the past 12 months and is expected to be earnings accretive in year one.

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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 144 locations, including 32 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.

<sup>1</sup> Excluding completion adjustments and transaction costs.

<sup>2</sup> Volume weighted average price of Propel shares in the 10 trading days up to and including 29 July 2022.

<sup>3</sup> Subject to certain exceptions, the escrowed shares will be released 3 years after Completion. Assuming no other shares are issued prior to Completion, once the escrowed shares are issued, Propel's total number of shares on issue will increase from 117,895,750 to 117,959,990. Once issued, the escrowed shares will rank pari passu with Propel's ordinary shares currently on issue. Shareholder approval is not required in connection with the issue of these ordinary shares.