PROPEL FUNERAL PARTNERS

ANNUAL REPORT 2025

CONTENTS





PROPEL OWNS AND OPERATES FUNERAL HOMES, CREMATION FACILITIES, CEMETERIES AND RELATED INFRASTRUCTURE IN AUSTRALIA AND NEW ZEALAND

Key Highlights for FY25

Revenue

$225.8m

▲ 7.9%

Funeral Volumes

22,602

▲ 4.4%

Operating EBITDA

$56.2m

▲ 1.4%

Operating NPAT

$21.6m

▲ 2.2%

Average Revenue Per Funeral[1]

$6,721

▲ 2.3% on a comparable basis

Dividend

14.4cps

FY24: 14.4cps

Cash Flow Conversion

102.2%

▲ 320 basis points

Locations[3]

205

▲ 9

Funding Capacity[2]

$143.0m

Acquisitions[2]

$302m

Deployed since IPO

Gearing Ratio[3]

27.1%

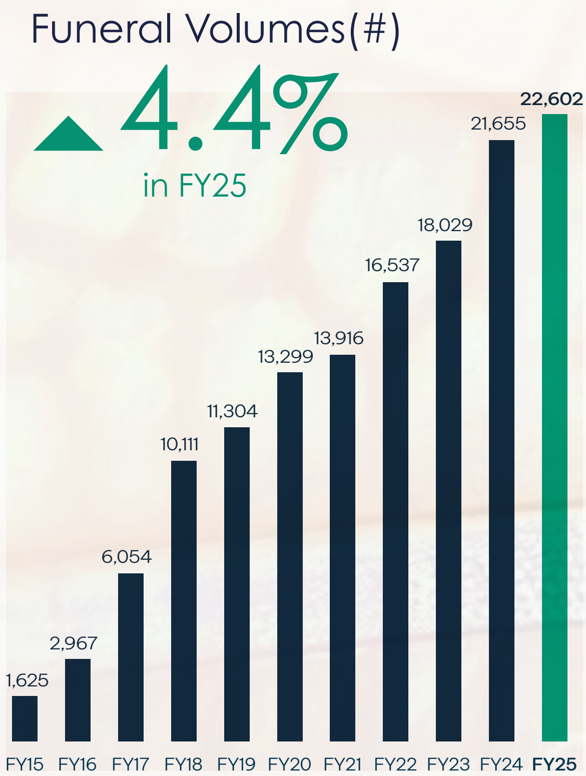
Net Leverage Ratio[3]: 2.1x

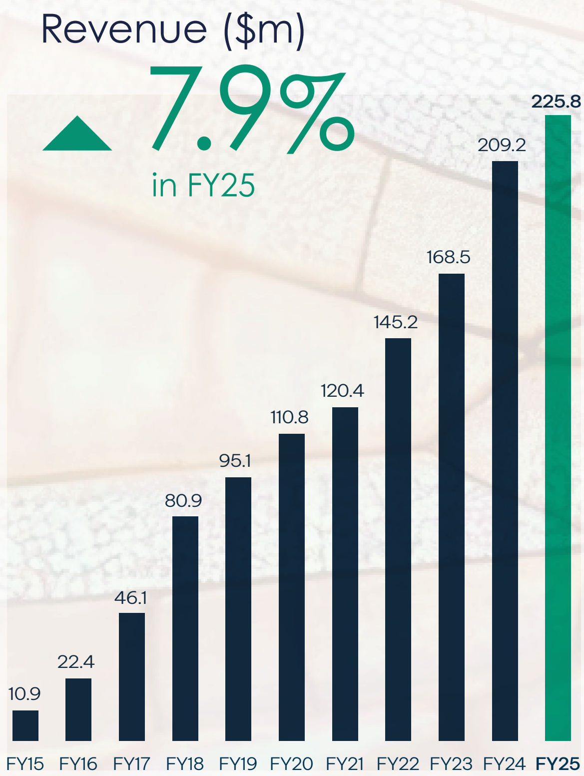
Expansion

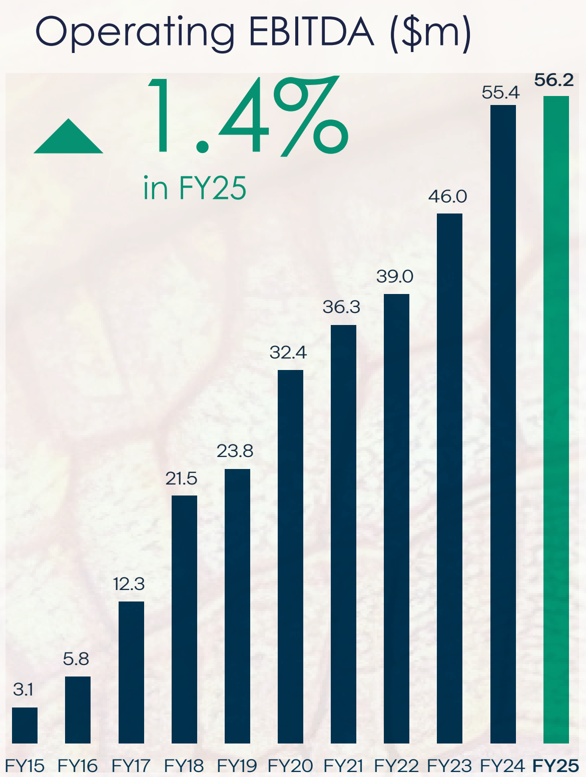
NZ

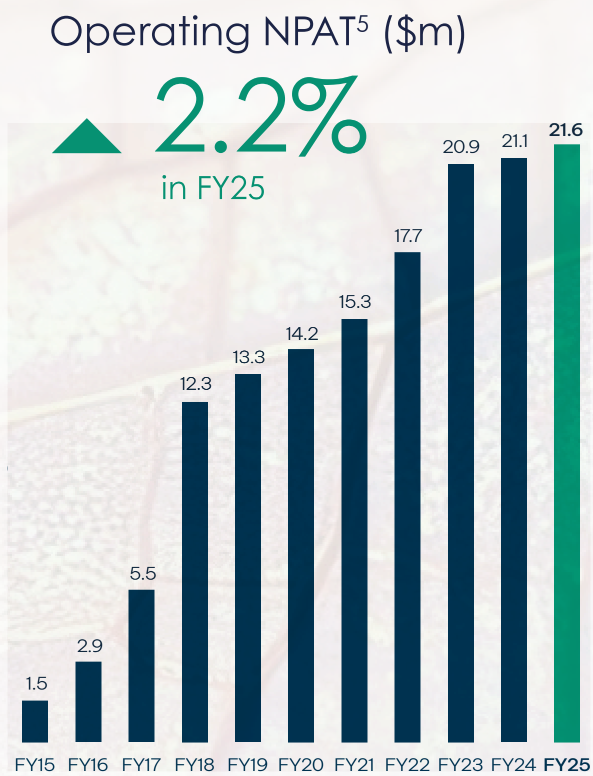
1. Means revenue from funeral operations, excluding direct disbursements (such as third party cemetery fees and third party cremation fees) and delivered pre-paid impacts, divided by the number of funerals in the relevant period.
2. As at 26 August 2025.
3. As at 30 June 2025.

Our Track Record









Letter from the Chairman and Managing Director

Dear Fellow Shareholders,

On behalf of the Board, we are pleased to present to you the 2025 Annual Report of Propel Funeral Partners Limited ('Propel' or 'Company').

First and foremost, we thank our dedicated staff in Australia and New Zealand for their hard work, professionalism and commitment to providing essential and caring funeral and related services to the communities they served throughout FY25.

FY25 was another record year for Propel. The Company continued its track record of delivering revenue and earnings growth, with revenue growing by 7.9% to $225.8 million, Operating EBITDA growing by 1.4% to $56.2 million and Operating NPAT growing by 2.2% to $21.6 million, despite a contraction in death volumes during the second half of FY25, which is expected to be temporary.

The Board declared dividends totalling 14.4 cents per share fully franked in connection with FY25 (FY24: 14.4 cents), including a final dividend of 7.0 cents per share, fully franked. The final dividend will be paid on 2 October 2025, with a record date of 2 September 2025.

As at 30 June 2025, the Company had $655 million of total assets (including $247 million of freehold properties), a gearing ratio of 27% and a net leverage ratio of 2.1 times (covenant limit of 5.0 times). The Company's debt facilities do not mature until October 2027.

Propel provides essential services to individuals and families dealing with, or preparing for, death and bereavement. This includes the collection and transfer of the deceased, mortuary services, arranging and conducting a funeral, cremation, burial and/ or memorialisation. The Company was established in 2011 and is now the second largest provider of death care services in Australia and New Zealand. Propel performed 22,602 funeral services in FY25 and the Company's network currently comprises 205 locations (124 owned and 81 leased) in Australia and New Zealand, including 41 cremation facilities and 9 cemeteries.

Propel is focussed on a clearly defined growth strategy to acquire and operate assets within the death care industry in Australia and New Zealand such as:

- private funeral home operators;
- funeral related properties and infrastructure; and
- cemeteries and crematoria.

Demand for death care services is expected to grow in Australia and New Zealand because of increasing death volumes due to population growth and ageing of the "baby boomers". The death care industry is highly fragmented with approximately 70% of funerals performed in Australia conducted by independent and/ or family owned service providers. The Company believes there is significant opportunity for further consolidation in Australia and New Zealand and Propel is well positioned to capitalise on those opportunities. In that regard, following a busy M&A period in FY24 where Propel completed eleven acquisitions, the Company completed a further three acquisitions during FY25.

The following directors' report provides commentary on the Company's FY25 performance highlights and outlook. Furthermore, as a leading provider of funeral and related essential services to client families at one of the most difficult times in their lives, Propel recognises it has a corporate responsibility to do so with dignity, respect and professionalism and acknowledges the growing importance of environmental, social and governance ('ESG') considerations in today's corporate and social landscape. ESG matters are an important part of the conversation with many stakeholders, including client families, staff, suppliers, corporate partners and shareholders. In this context, Propel is pleased to share its ESG journey to date in this Annual Report.

Following feedback from shareholders and proxy advisors, the Company has made important changes to its executive remuneration framework, the details of which are set out in the Remuneration Report.

In June 2025, Propel announced an executive leadership transition. Effective 1 September 2025:

- co-founders, Fraser Henderson and Lilli Rayner, will become Co-Chief Executive Officers of Propel, following the retirement after 14 years of fellow co-founder and current Managing Director, Albin Kurti, on 31 August 2025; and
- current Group Financial Controller, Arash Noaeen, will be promoted to Chief Financial Officer of Propel.

In FY26, the Company expects to benefit from the growing and ageing population, acquisitions completed to date and other potential future acquisitions, although the timing of which remains uncertain. Demand for essential funeral services is underpinned by favourable demographics and with $143 million of available funding capacity and no near term debt maturities, Propel is well placed to continue its acquisition led growth strategy.

Finally, we thank shareholders for their ongoing support and we look forward to reporting the Company's further progress, as and when appropriate.

Brian Scullin
Chairman

Albin Kurti
Managing Director

OUR VISION

PROPEL'S VISION IS TO FURTHER CONSOLIDATE THE HIGHLY FRAGMENTED DEATH CARE INDUSTRY IN AUSTRALIA AND NEW ZEALAND WHILE SERVING CLIENT FAMILIES WITH CARE AND DIGNITY.

We aim to:

- provide succession solutions for vendors
- preserve and enhance the goodwill and quality of services provided by our funeral homes, cemeteries and cremation facilities
- empower our staff via a decentralised operating model with engaged and responsive management
- treat stakeholders with professionalism, dignity and respect
- create value through disciplined capital allocation and active network management

OUR STRATEGY

PROPEL'S STRATEGY IS TO ACQUIRE AND OPERATE ASSETS WITHIN THE DEATH CARE INDUSTRY IN AUSTRALIA AND NEW ZEALAND.

An investment strategy focussed on:

- expanding into locations with favourable demographics and/or market structures, through organic and inorganic initiatives
- acquiring and/or establishing death care assets, such as:
  - funeral homes
  - cemeteries and cremation facilities
  - related properties and infrastructure
- actively managing the network

Our ESG Journey

As a leading provider of funeral and related essential services to client families at one of the most difficult times in their lives, Propel recognises it has a corporate responsibility to do so with dignity, respect and professionalism and acknowledges the growing importance of environmental, social and governance ('ESG') considerations in today's corporate and social landscape.

ESG matters are an important part of the Company's interactions with many stakeholders, including client families, employees, suppliers, corporate partners and shareholders. In this context, Propel is pleased to share part of its ESG journey by highlighting some areas of focus:

Do the right thing

A guiding principle at Propel is to "do the right thing". This not only applies to our dealings with client families, but it also applies to how we interact with other external and internal stakeholders.

Governance

The Propel board comprises six members, including a majority of Independent Non-Executive Directors.

Gender equality

Propel complies with the Workplace Gender Equality Agency Reporting Scheme. In accordance with the Workplace Gender Equality Act 2020 (Cth) ('Act'), Propel is a "relevant employer" and therefore lodged a public report in June 2025, a copy of which is available on the Company's website.

Propel is proud to disclose that in its latest WGEA report, the Company's:

- workforce comprised 51% female and 49% male;
- gender pay gap[1] was 0.2%; and
- Non-Executive Directors comprised 50% female and 50% male.

Diversity and inclusion

Propel's Diversity Policy outlines its position of no discrimination or less favourable treatment of people in respect of age, race, religion or belief, gender, sex, sexual orientation, pregnancy, disability or marital status. Propel engages, promotes and trains its people on the basis of their capabilities, qualifications and experience, without discrimination. A copy of its Diversity Policy is available on the Company's website.

Modern Slavery risk mitigation

Propel is required to comply with the Modern Slavery Act 2018 (Cth) and has lodged its Modern Slavery Statement on the public register. A copy is available on the Company's website.

Propel has minimal exposure to modern slavery in the context of its business and its current supply chain. The Company estimates that more than 98% of the products it acquires, by value, were purchased from market leading specialist suppliers based in Australia and/or New Zealand.

Propel has implemented a Supplier Code of Conduct, which sets out the minimum standards of behaviour Propel requires of its suppliers. Each supplier that provides goods valued at over $200,000 (ex GST) is provided with an on-boarding questionnaire which is used to assess modern slavery risks.

1. Propel's Median Gender Pay Gap reported in June 2025

Workplace Health and Safety ('WHS') Management System

Propel is committed to providing a safe environment for its employees. During FY25, the Company completed the roll out of its new WHS Management System in Australia and commenced the roll out in New Zealand. The program is focussed on the health, safety and wellbeing of employees. The Company also provides support to its employees through access to an employee assistance program.

Staying Well Together Initiative

Propel continued to promote its Staying Well Together intranet for employees during FY25. The theme of the program is centred around positive communication on mental health by 'staying on top of your mountain' and consists of online training programs, wellbeing employee videos and the ability to access counselling services.

Code of Conduct

Propel is committed to maintaining ethical standards in the conduct of its business activities. Propel's reputation is important to its ongoing success and it expects all of its employees to be familiar with, and have a personal commitment to, meeting these standards.

The Code of Conduct is centred around the principles of respect, honesty, fairness, integrity, duty of care and compliance with the law.

Environment

Propel is working towards a more sustainable future. Examples include:

- installed solar panels at over 20 of its properties;
- participating in metal recycling by collecting metals post-cremation;
- replacing or upgrading equipment/machinery with more energy-efficient technologies, including cremators; and
- developing a green electricity roll out program with a preferred energy supplier.

Price Transparency

Prior to services being performed, each client family receives an itemised estimate of the funeral service they have requested, for their approval. Propel complies with State price transparency requirements on relevant websites and at physical locations, where applicable.

Affordable funerals

Propel respects the wishes of each client family, including those who seek a simple, no service, no attendance funeral as a more affordable option.

Remembering lost loved ones and supporting families through grief

Many of Propel's locations focus on remembrance and conduct community memorial services at key dates during the year. This enables families to remember loved ones at times such as Christmas, Easter, Anzac Day and Mother's/Father's Day.

Propel engages with The Grief Centre, which offers grief counselling services and support groups to both client families and employees.

Charitable and local community support

Propel is a proud supporter of the Children's Tumour Foundation, supporting important research into Neurofibromatosis. During the year, Propel held a team-building event at Our Big Kitchen in Sydney, where staff came together to cook, connect and give back to the community by preparing meals for those in need. Many of the Company's operating businesses also support charities, not for profit organisations and social causes in their respective local communities. Examples include:

- Seasons Funerals in Western Australia has run free singalongs at nursing homes for more than 10 years, with four singers performing more than 200 events annually to bring joy and connection through music.
- Latrobe Valley Funerals in Victoria has been a sponsor of Latrobe's Biggest Ever Blokes BBQ held in Morwell for 10 years, where over 800 men gather to raise funds for prostate cancer awareness and research. It has recently become a patron sponsor of the event.
- Davis Funerals in Auckland, New Zealand are a Gold Partner and Platimum supporter of Totara Hospice, a charity in south and southeast Auckland that offers free palliative care services to people with life-limiting illnesses. Davis are an active speaker and sponsor of the Talanoa Group which offers spaces for open conversation, healing, and connection. Davis also engages in joint social media and article collaborations with Totara Hospice throughout the year.
- Morley Funerals in Queensland hosts bi-annual grief and loss seminars and an annual Christmas candle lighting service at their Lakes Chapel, welcoming the community to come together in support and remembrance.
- Burke & Douglas Funerals in New South Wales is a major sponsor of the Tamworth Basketball Association, supporting local sports and community engagement.

Member of associations such as the AFDA and the FDANZ

Propel's Australian funeral businesses are all members of the Australian Funeral Directors Association and the majority of its funeral businesses in New Zealand are members of the Funeral Directors Association of New Zealand. Some are also members of other associations such as the New Zealand Embalming Association, the National Funeral Directors Association, the NSW Funeral Directors Association, Cemeteries & Crematoria Association of NSW and the Australian Cemeteries & Crematoria Association.

Propel's ESG journey continues to evolve. Propel looks forward to continuing to play an important role in the communities it serves and continuing to share its ESG journey with its shareholders.

Board of Directors and Executives

Brian Scullin
Chairman

Brian is the Chairman of Propel. He is the former Chairman of Spark Infrastructure Limited, Hastings Funds Management, BT Investment Management Limited, OAK Possability (a not for-profit organisation in the Tasmanian disability sector) and most recently Macquarie Point Development Corporation. Brian was also a former Non-Executive Director of Dexus Property Group, Tasplan Super and State Super Finance Services.

Brian has more than 20 years' experience in the funds management industry in both Australia and Asia. Following a career in the Federal Government and politics, Brian was appointed the Executive Director of the Association of Superannuation Funds of Australia in 1987. In 1993, he joined Bankers Trust, holding a number of senior positions, including President of Japan Bankers Trust. He was appointed Chief Executive Officer – Asia/Pacific for Deutsche Asset Management in 1999. He retired from that full time position in 2002, although remained a Non-Executive Director of Deutsche Asset Management until June 2007.

Brian has held many industry positions including Vice Chair of the Financial Services Council (then known as the Investment & Financial Services Association), a part-time member of the Federal Government's Financial Reporting Council and a panel member for the Financial Industry Complaints Service.

Brian has a Bachelor of Economics from the Australian National University.

Naomi Edwards
Independent Non-Executive Director

Naomi is a professional company director who has chaired listed ASX companies, industry super funds and not-for-profit organisations. An actuary by training, with an executive background in the financial services industry, Naomi has a strong reputation in the responsible investing industry. Naomi is the current Chair of the Australian Institute of Company Directors and a past President of the Actuaries Institute of Australia. She is a non-executive director of TAL and Yarra Funds Management Ltd. She was the former Chair of Accurium. Naomi was also a former Deloitte Partner and non-executive director of Australian Ethical Investments, Hunter Hall Limited and Nikko AM.

Naomi has a first class honours degree in mathematics from the University of Canterbury and is a Fellow of the Actuaries Institute of Australia and a Fellow of the Australian Institute of Company Directors.

Peter Dowding
Independent Non-Executive Director

Peter is one of the co-founders of Propel and also a co-founder and Chair of Propel Investments, a boutique mid market private equity fund manager ('Prop Inv'). He has almost 30 years investment experience (including with Deutsche Asset Management, State Super Investment Management Corporation and Prop Inv) and has been responsible for completing and managing investments and also raising and managing institutional funds. Peter has been on the board of a significant number of companies, including several where he was Chairman. He was a director of Bledisloe Holdings (the largest funeral home operator in New Zealand and the second largest in Australia) prior to its sale to InvoCare Limited in 2011. Peter is Chair of the Children's Tumour Foundation of Australia and was previously a director and Chair of the Audit and Risk Committee of the Clinical Oncology Society of Australia.

Peter has a Bachelor of Civil Engineering from the University of Nottingham, Masters in Business from the University of Bath and is a Fellow of the Australian Institute of Company Directors.

Jennifer Lang

Independent Non-Executive Director

Jennifer is an actuary and professional company director. She is currently an independent director and Chair of the Audit Committee of Pacific Life Re. Jennifer is also an independent director and Chair of the Audit Committee of Auto & General Insurance Company and an independent director and Chair of the Risk Committee of Medical Insurance Group Australia. Jennifer was a former non-executive director of Bicycle Network and a previous board member of the Institute of Actuaries of Australia and Deloitte Australia. She was previously the CFO and Chief Actuary of CommInsure. Jennifer was the Actuary of the Year in 2020.

Jennifer has a Bachelor of Economics from Macquarie University, is a Fellow of the Actuaries Institute of Australia and a graduate member of the Australian Institute of Company Directors.

Albin Kurti

Managing Director

Albin co-founded the Company and is its Managing Director. Albin has extensive experience in sourcing, screening and executing acquisitions and actively managing business operations. He commenced his career in the insolvency and corporate finance division of Arthur Andersen, where he qualified as a chartered accountant and worked in Melbourne and Brunei. In 2000, he moved to Sydney and joined Deutsche Asset Management and, in 2007, he co-led the management buy-out of the private capital division of Deutsche Bank. He has led, co-led or been a key investment team member on a range of mergers and acquisitions ('M&A') transactions for Prop Inv and has been a director of numerous private companies. He played an important role in the sale of Bledisloe Holdings to InvoCare in 2011 and the IPO of Propel.

Albin is a Chartered Accountant and holds a Bachelor of Commerce from the University of Melbourne and a Masters in Business Administration from the Victoria University of Technology.

Fraser Henderson

Executive Director – Head of M&A and General Counsel/Company Secretary

Fraser co-founded the Company. He is Propel's Head of M&A, General Counsel and Company Secretary. Fraser has extensive experience in sourcing, screening and executing acquisitions. He commenced his legal career with Ashurst, where he worked in both London and Singapore. In 2003, he moved to Sydney and joined Minter Ellison, becoming a Partner in their Private Equity and Capital Markets team in 2006. He joined Prop Inv in 2008, where he became a director of a number of its investee companies. He co-led a number of transactions for Prop Inv and played an important role in the sale of Bledisloe Holdings to InvoCare in 2011 and the IPO of Propel.

Fraser is a graduate of the University of Newcastle-Upon-Tyne (LLB), and of Sydney University (LLM). He has a Diploma in Applied Corporate Governance ('FCIS'), a Diploma in Investor Relations ('DipInvRel') and completed the directors' course run by the Australian Institute of Company Directors ('AICD').

Lilli Rayner

Chief Financial Officer

Lilli leads the finance function of Propel. She is responsible for the delivery of the Company's statutory and management reporting obligations, internal control procedures and treasury management. Lilli manages a team of accountants who, among other things, produce timely financial and operational reports. She plays an active role in sourcing and executing transactions and leads the financial due diligence and financial integration of acquisitions for Propel.

Lilli commenced her career at Ernst & Young in corporate finance specialising in business valuations and dispute advisory. She then joined Deutsche Asset Management (DB Capital Partners) in June 2006. She was a director of Bledisloe Holdings prior to its sale to InvoCare. Lilli played an important role in the sale of Bledisloe Holdings to InvoCare in 2011 and the IPO of Propel.

Lilli graduated from the University of Wollongong with a Bachelor of Commerce, majoring in accounting and finance. She is a chartered accountant, holds a Diploma in Investor Relations (DipInvRel) and completed the directors' course run by the AICD.

FINANCIAL REPORT

The Directors of Propel Funeral Partners Limited present the report, together with the consolidated financial report for the year ended 30 June 2025.

Contents

Directors' Report

for the year ended 30 June 2025

The directors of Propel Funeral Partners Limited (ACN 616 909 310) (referred to hereafter as 'Propel', the 'Company' or 'parent entity') present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Group') consisting of the Company and the entities it controlled at the end of, or during, the year ended 30 June 2025 ('FY25').

Due to rounding, numbers presented in this directors' report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Background
Propel owns and operates businesses, properties, infrastructure and related assets in the death care industry which stand to benefit from the growing and ageing population. As at the date of this directors' report, the Group comprises long established providers of funeral services operating from 205 properties (124 owned and 81 leased) across 7 states and territories of Australia and in New Zealand, including 41 cremation facilities and 9 cemeteries.

This directors' report includes certain financial measures, such as Operating EBITDA (operating earnings before interest, tax, depreciation and amortisation), Operating EBIT (operating earnings before interest and tax) and Operating NPAT (operating net profit after tax) which are not prescribed by Australian Accounting Standards ('AAS') and represent the result under AAS adjusted for certain non-operating items, such as acquisition and transaction costs and the net financing charge on pre-paid contracts. The directors consider Operating EBITDA, Operating EBIT and Operating NPAT to reflect the core earnings of the Group. These financial measures, along with other measures, have not been subject to specific audit or review procedures by the Company's auditor, but have been extracted from the accompanying financial statements.

Directors

The following persons were directors of Propel during the financial year and up to the date of this directors' report:

Brian Scullin - Chairman
Naomi Edwards
Jennifer Lang
Peter Dowding
Albin Kurti
Fraser Henderson

Principal activities

The principal activities of the Group during the financial year were the provision of death care related services in Australia and New Zealand.

Dividends

	Amount per security cents	Franked amount per security %	Total $'000	Date of payment
Year ended 30 June 2025				
Interim dividend – 2025 financial year	7.40	100%	10,209	4 April 2025
Final dividend – 2024 financial year	7.20	100%	9,933	3 October 2024
Total			**20,142**	
Year ended 30 June 2024				
Interim dividend – 2024 financial year	7.20	100%	9,924	5 April 2024
Final dividend – 2023 financial year	6.90	100%	8,159	3 October 2023
Total			**18,083**	
Dividend not recognised at year end				
Final dividend – 2025 financial year	7.00	100%	**9,658**	2 October 2025

Directors' Report

for the year ended 30 June 2025

On 26 August 2025, the directors declared a fully franked final dividend in connection with FY25 of 7.0 cents per ordinary share. Total dividends declared in connection with FY25 were 14.4 cents per share (FY24: 14.4 cents per share), fully franked, which represents approximately 93% of Distributable Earnings (NPAT adjusted for the non-cash net financing charge on pre-paid contracts and acquisition costs). The financial effect of the final dividend declared after the reporting date is not reflected in the 30 June 2025 financial statements and will be recognised in the subsequent financial period.

All dividends referred to above were fully franked at the Company tax rate of 30%.

Significant changes in the state of affairs

During FY25, the Group experienced the following significant changes in its state of affairs:

- completed three acquisitions (refer to note 28 for further details), the consideration for which totalled $13,194,000 (excluding transaction costs and contingent consideration) as follows:
  - in July 2024, the Group acquired the businesses and assets associated with Decra Art Headstones & Monuments ('Decra'), which has supplied headstones and monuments across New Zealand for over 40 years;
  - in February 2025, the Group acquired the businesses, assets and certain freehold properties associated with Twentymans Funeral Services and Thames Crematory, a funeral services provider operating in and around Thames, New Zealand since 1867 which also provides pet loss services under the brand 'Forever Pets' ('Twentymans'); and
  - in April 2025, the Group acquired the businesses, assets and certain freehold properties associated with Richmond Funeral Home (including Clareville Crematorium) ('Richmond'), a funeral services provider operating in and around Carterton, New Zealand since 1887;

- acquired five freehold properties (two of which were previously leased) for aggregate consideration of approximately $10,345,000 (excluding stamp duty); and

- Managing Director and co-founder, Albin Kurti announced his retirement, effective 31 August 2025. In June 2025, the Company announced that, effective 1 September 2025:
  - Lilli Rayner and Fraser Henderson will become Co-Chief Executive Officers of Propel; and
  - Arash Noaeen will become Chief Financial Officer of Propel.

There were no other significant changes in the state of affairs of the Group during FY25.

Financial and operating review

This financial and operating overview summarises the full year results for FY25, and results for the prior year ('FY24'), unless otherwise stated.

Financial Summary:

In FY25, the Group reported:
- Revenue of $225,833,000, an increase of 7.9% on the prior year;
- Operating EBITDA of $56,155,000, an increase of 1.4% on the prior year; and
- Operating NPAT of $21,604,000, an increase of 2.2% on the prior year.

Directors' Report

for the year ended 30 June 2025

The table below summarises the full year results of the Group:

	FY25 Statutory $'000	FY24 Statutory $'000
Total revenue	**225,833**	**209,238**
Gross profit	157,734	145,988
... margin	*69.8%*	*69.8%*
Total operating costs	(101,579)	(90,595)
Operating EBITDA	**56,155**	**55,393**
... margin	*24.9%*	*26.5%*
Depreciation	(15,740)	(14,286)
Operating EBIT	**40,415**	**41,108**
... margin	*17.9%*	*19.6%*
Net other income and expenses	(35)	9
Net interest expense	(9,661)	(11,051)
Operating NPBT	**30,719**	**30,065**
Income tax expense	(9,114)	(8,929)
Operating NPAT	**21,604**	**21,135**
Operating earnings per share (cps) [1]	*15.66*	*16.81*
Non-operating items:		
Acquisition costs	(962)	(3,342)
Net other income and expenses	(372)	(158)
Net financing charge on pre-paid contracts	(461)	(486)
Tax effect of adjustments	589	664
Net profit after tax	**20,399**	**17,812**

Note:
1. Operating NPAT divided by the weighted average number of ordinary shares.

The major income statement line items for the Group down to Operating EBITDA are presented below:

	FY25 Statutory $'000	FY24 Statutory $'000
Funeral operations	197,997	186,559
Cemetery, crematoria and memorial gardens	24,201	20,265
Other trading revenue	3,635	2,414
Total revenue	**225,833**	**209,238**
Cost of sales	(68,099)	(63,250)
Gross profit	**157,734**	**145,988**
Employment costs	(75,661)	(66,613)
Occupancy and facility costs	(11,716)	(10,921)
Advertising costs	(4,531)	(4,470)
Motor vehicle costs	(3,236)	(2,974)
Other operating costs	(6,435)	(5,617)
Total operating costs	**(101,579)**	**(90,595)**
Operating EBITDA	**56,155**	**55,393**

Directors' Report

for the year ended 30 June 2025

Revenue

Revenue increased by 7.9% from $209,238,000 in FY24 to $225,833,000 in FY25, driven by a:

- 6.1% increase in revenue from funeral operations;
- 19.4% increase in revenue from cemetery, crematoria and memorial gardens; and
- 50.6% increase in other trading revenue.

In FY25, Propel's funeral volumes totalled 22,602, reflecting:

- growth on the prior year of +4.4%, including acquisitions; and
- a contraction in comparable funeral volumes of -1%, having cycled growth of +9% (FY22) and +1% (FY23), and a contraction of -6% (FY24).

In FY25, Propel's Average Revenue Per Funeral[1] was $6,721, reflecting:

- comparable growth of +2.3% on the prior year, in line with inflation[2]; and
- the impacts of 12[3] funeral acquisitions completed during and since the prior year.

In FY25, the Group generated 48% of its revenue from metropolitan areas, compared to 50% in FY24, due to the impact of recent acquisitions.

Gross profit margin

The gross profit margin was in line with FY24 at 69.8%, primarily impacted by the financial profile of acquisitions completed during FY24 and FY25. The FY25 comparable gross margin was 70%, 20 basis points higher than the prior year.

Operating costs and Operating EBITDA

Operating costs increased by $10,984,000 on FY24, as a result of:

- the full period impact of 13[3] businesses acquired during FY24 and FY25;
- inflationary impacts; and
- changes to executive remuneration as disclosed in the 2024 Remuneration Report.

FY25 Operating EBITDA was $56,155,000, 1.4% higher than FY24, with contributions from acquisitions being partially offset by a contraction in comparable funeral volumes in the second half of FY25.

Depreciation and other income and expenses

Depreciation increased from $14,286,000 in FY24 to $15,740,000 in FY25, which primarily related to business and property acquisitions completed during FY24 and FY25.

Net interest expense (excluding lease liabilities - AASB 16) was $8,602,000, $1,412,000 lower than the prior year (FY24: $10,014,000), driven by lower drawn debt as a result of the capital raising completed in early 2024 and lower average effective interest rate, partially offset by draw downs to fund acquisitions and property purchases.

Acquisition costs totalled $962,000 (FY24: $3,342,000).

Non-operating net other income and expenses of $372,000 largely related to non-operating income and expenditure, being net insurance recoveries, net gain on disposal of assets, net foreign exchange losses and expenses primarily relating to the administration of the Group's pre-paid contracts.

[1] Revenue from funeral operations excluding disbursements and delivered pre-paid funeral impacts divided by the number of funerals performed in the relevant period.

[2] Source: Australian Bureau of Statistics, June 2025 Consumer Price Index ('CPI') report (released 30 July 2025), reflecting an annual CPI increase of 2.1%.

[3] Excluding the 49.99% interest in an entity operating the business trading as Osbornes Funeral Directors which is equity accounted.

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Pre-paid contracts
Funds held in connection with pre-paid contracts are largely held with third party friendly societies who invest the funds in cash and fixed interest products (more than 90% of funds held) and other asset classes (less than 10% of funds held). In FY25, pre-paid contracts that turned at need in Australia accounted for less than 10% of Propel's Australian funeral volumes (FY24: less than 10%).

In accordance with AASB 15, 'Revenue from Contracts with Customers', Propel recognises investment returns generated on funds held for pre-paid contracts net of a non-cash financing charge. The net financing charge is disclosed below Operating EBITDA and Operating NPAT.

Impairment
Following a review of the carrying value of assets, no impairment was deemed necessary in FY25 (FY24: Nil).

Income tax expense
In FY25, income tax expense was $8,526,000 (FY24: $8,266,000). The adjusted effective tax rate was 29.6% (FY24: 29.6%).

Cash flow highlights
The cash flows for the Group are presented below:

	FY25 Statutory $'000	FY24 Statutory $'000
Receipts from customers (inc GST)	250,473	228,101
Payments to suppliers and employees (inc GST)	(194,050)	(174,061)
	56,423	**54,040**
Income taxes paid	(6,627)	(8,586)
Interest paid	(10,290)	(11,291)
Interest received	482	550
Transaction costs paid (inc GST)	-	(345)
Net cash provided by operating activities	**39,988**	**34,368**
Payment for purchase of business, net of cash acquired	(15,874)	(96,749)
Payments for investments	-	(466)
Net payments for property, plant and equipment	(25,354)	(24,355)
Other investing cash flows	(64)	(162)
Net cash used by investing activities	**(41,292)**	**(121,732)**
Proceeds from issue of shares, net of transaction costs	-	97,553
Net proceeds/(repayment) from borrowings	27,830	(27,461)
Dividends paid	(20,142)	(18,083)
Other financing cash flows	(4,597)	(4,156)
Net cash provided by financing activities	**3,091**	**47,853**
Net increase/(decrease) in cash during the year	1,787	(39,511)
Cash at the beginning of the year	7,250	46,882
Exchange rate effects	9	(121)
Cash at the end of the year	**9,046**	**7,250**

FY25 operating cash flows[4] were 4.4% higher than the prior year, with growth driven by contributions from acquisitions and positive movements in working capital.

[4] Ungeared; pre-tax operating cash flow.

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Cash flow conversion was 102.2% in FY25, compared to 99.0% achieved in the prior year, as shown in the table below:

	FY25 $'000	FY24 $'000
Operating EBITDA	**56,155**	**55,393**
Net cash provided by operating activities	39,988	34,368
Add: Interest paid	10,290	11,291
Add: Income tax paid	6,627	8,586
Add: Transaction costs paid	-	345
Add: Executive incentive timing difference	949	798
Less: Interest received	(482)	(550)
Ungeared, tax free, operating cash flow (adjusted)	**57,371**	**54,839**
Cash flow conversion[1]	**102.2%**	**99.0%**

Note:
1. *The percentage of Operating EBITDA converted into ungeared, pre-tax operating cash flow, adjusted for cash flow timing differences relating to executive bonuses.*

Cash flows used in investing activities included capital expenditure related to:

	FY25 $'000	FY24 $'000
Maintenance	9,514	12,624
Growth	4,936	2,938
Total capital expenditure	**14,451**	**15,563**

In FY25, maintenance capital expenditure amounted to 4.2% of revenue (FY24: 6.0%).

Capital Management
As at 30 June 2025, the Group had drawn down $141,053,000 of its $275,000,000 senior debt facilities, compared to $113,153,000 as at 30 June 2024. The increase in drawn debt largely relates to funding the FY25 business and property acquisitions. As at 30 June 2025, the Group reported cash and cash equivalents of $9,046,000 (30 June 2024: $7,250,000) and net debt[5] of $132,007,000 (30 June 2024: $105,903,000).

As at 30 June 2025, the Group's gearing ratio[6] was 27.1%. Financial covenant ratios on the senior debt facilities comprise a net leverage ratio which must be no greater than 5.0x[7] and a fixed charge cover ratio which must be greater than 1.75x. Both ratios were comfortably satisfied as at 30 June 2025, being 2.1x[7] (30 June 2024: 1.6x) and 3.9x (30 June 2024: 3.6x) respectively.

As at the date of this directors report, the Group is well funded to continue its acquisition led growth strategy with approximately $142,993,000[8] of available funding capacity.

Matters subsequent to the end of the financial year
On 26 August 2025, the directors declared a fully franked final dividend in connection with the year ended 30 June 2025 of 7.0 cents per ordinary share. Total dividends declared in connection with FY25 were 14.4 cents per share (FY24: 14.4 cents per share), fully franked, which represents approximately 93% of Distributable Earnings (NPAT adjusted for certain non-cash and non-operating items) for FY25.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

[5] Drawn senior debt less cash and cash equivalents.
[6] Net debt of $132.0 million divided by net debt plus total equity of $355.1 million.
[7] The net leverage ratio for covenant purposes includes adjustments – for example: (1) the Group's $25m working capital facility is excluded from net debt; and (2) Operating EBITDA includes the annualised impact of acquisitions and is calculated on a pre AASB16 basis.
[8] Undrawn debt and cash at bank, as at 30 June 2025.

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Likely developments and expected results of operations
In terms of the outlook for FY26, Propel expects to benefit from:
- favourable demographics in Australia and New Zealand;
- its strong funding position; and
- acquisitions completed to date and other potential future acquisitions in what remains a highly fragmented industry.

Propel has started FY26 positively – in July 2025, the Company reported a record revenue month which exceeded $21.5 million[9], reflecting:
- seasonally stronger funeral volumes;
- Average Revenue Per Funeral growth of 2.7% over the prior corresponding period; and
- contributions from recent acquisitions.

It should be noted that death volumes fluctuate over short time horizons.

Material business risks
The Company maintains a risk management framework which includes a risk register, which is tabled as a standing agenda item at scheduled meetings of the Company's Audit and Risk Committee.

The most significant risk to the Company's annual financial performance is the number of deaths occurring during that year in the markets in which the Group operates. However, there are other risks, and the key risks that could adversely impact the Group's annual financial performance and growth potential, including mitigating factors, are summarised below:

Risk	Description	Risk Management Mitigation
Number of deaths	- Change in mortality rates over a sustained period. - Movement of people to areas where the Group does not have operations.	- Data monitoring and analysis. - Propel has a diversified network, currently operating from all states of Australia as well as the Australian Capital Territory and the North and South Islands of New Zealand. - Propel's growth strategy involves expanding into locations where it does not currently operate. - Management of operating costs.
Competitive market and changes to market trends	- Risk from existing and new market entrants. - Competitors may offer/develop alternative products/services, or alternative advertising initiatives.	- Client focus on service delivery. - Leverage existing brands in local markets with strategies to maintain and/or expand market share locally. - Focus on local community engagement and relationship to maintain and/or improve competitive advantage.

Funding	- Insufficient funding to capitalise on growth initiatives, including acquisitions.	- Long established relationship with the Company's debt funding partner, Westpac.
		- As at 30 June 2025, the Group had:
		  - a net leverage ratio of 2.1x;
		  - material debt covenant headroom; and
		  - $143 million of available funding capacity.
		- As an ASX listed entity, the Company can access equity markets from time to time, as demonstrated by the equity raising completed during 2024.

[9] Based on the Company's unaudited management accounts.

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Risk	Description	Risk Management Mitigation
Slow down in acquisitions	- Unable to agree terms with potential vendors. - Competing bidders.	- Propel remains focused on its core strategy of acquiring assets and infrastructure that operate in the death care industry in Australia and New Zealand. - Since its IPO in November 2017, Propel has committed approximately $302 million[10] on acquisitions and continues to explore other potential acquisitions, however, the timing (if they occur at all) associated with any future acquisitions is uncertain. - The Australia and New Zealand funeral industries remain highly fragmented.
Investment risk – acquisitions	- Propel's acquisition led growth strategy is not successfully executed or fails to deliver the expected returns. - Deficiencies in due diligence. - Assume unknown liabilities. - No guarantee of continued successful performance of acquired businesses.	- Experienced management team that has been active in completing acquisitions in the death care industry since 2005. - Balance sheet management. - General preference to acquire assets, not shares (therefore, only assume known liabilities). - As at 30 June 2025, Propel has completed 59 acquisitions, so is experienced at identifying potential performance issues. - Management has a track record of actively monitoring post acquisition performance.
Inflation	- Increasing cost of goods and services.	- Pass on price increases where possible. - Prudent management of costs.
Loss of key brand reputation/customer relationships	- Failure to maintain brand reputation in market. - Failure to react to changes in customers' needs/trends. - Products and/or services do not keep pace with developments in market needs or technological advancements. - Customers/media complaints.	- Close monitoring of market developments. - Do not operate a network of national brands, with each business managed and operated day to day by members of the local community. - Businesses support local initiatives.
Supply chain	- Unable to supply products to deliver services to families.	- Not overly reliant on one single supplier for any individual product or item.
Lease arrangements	- Existing lease agreements are not renewed and/or terms cannot be agreed with new locations.	- Active monitoring of leases approaching renewal dates. - Pro-active review of all lease contracts. - As at 30 June 2025, the Group owned approximately 60% of the properties from which it operates.
Natural disaster, health crises	- Pandemic. - Fire, floods etc.	- The Group responded promptly and strategically to the impacts of COVID-19. - Geographic diversity of the Group's network would make it unlikely that a natural disaster would impact performance materially.
Regulatory compliance	- Australian Competition and Consumer Act 2010 (Cth) and other related commonwealth and state legislation. - Environmental regulations risks. - Perpetual care.	- Less than 10% market share in Australia. - External advice received. - Culture of compliance.

[10] Upfront cash and equity consideration paid. Excludes properties purchased subsequent to completion of the acquisitions and other properties purchased totalling, in aggregate, $47.5 million (excluding stamp duty).

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Risk	Description	Risk Management Mitigation
Investment risk - pre paid contracts	- Escalation in service/product costs. - Volatility of investment returns on pre-paid funds under management fluctuation.	- The overwhelming majority of funds held by/for the Group in relation to pre-paid funeral contracts are held in cash or fixed income, therefore, risk of volatility of investment returns is low. - Pre-paid contracts typically remain profitable in times of rising costs, versus the investment return generated. However, the profit margin may be lower than an at need funeral, all other things being equal. - Pre-paid bonds, where the client family makes a contribution to their funeral costs and the funeral director is not at risk of rising costs, are becoming more popular across the Company's network.

Meeting financial obligations	- Unable to meet its financial obligations.	- Regular monitoring by management and the Board.
		- Six monthly reporting to its debt funding partner, Westpac, on covenant compliance.
		- Board approved annual budget, which is provided to its funding partner, Westpac.
		- Regular monitoring and reporting on debtors, with historically low number of bad debts.
		- As at 30 June 2025:
		  - net leverage ratio of 2.1x; and
		  - material headroom to covenants.

Interest rates	- Higher interest rates may impact profitability.	- The Group may use interest rate swaps to partially hedge its exposure to interest rate risk.
People	- Loss of key executives. - Loss of key individuals in operating businesses with consequential material business disruption.	- Appropriate incentives in place for key individuals, including short and long term incentives for key management personnel. - Succession planning undertaking by the Remuneration and Nomination Committee.

Environmental regulation
The Group's operations are subject to environmental regulation under the laws in the jurisdictions in which it operates. The directors are not of aware of any environmental issues or claims which have had, or are likely to have, a material impact on the Group's business.

Measurable objectives
The Company respects and values diversity in the board and workforce at all levels as reflected in the diversity policy which is set out in the Company's Corporate Governance Charter, a copy of which is available on Company's website. For FY25, the Company had a measurable objective in respect of gender diversity on the board and the executives ('Key Management Personnel' or 'KMP') of 30%. This measurable objective was achieved by the Company.

Directors' Report

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Information on directors

Name:	Brian Scullin
Title:	Independent Non-Executive Chairman
Qualifications:	Bachelor of Economics from the Australian National University.
Experience and expertise:	Brian has more than 20 years' experience in the funds management industry in both Australia and Asia. Following a career in the Federal Government and politics, Brian was appointed the Executive Director of the Association of Superannuation Funds of Australia in 1987. In 1993, he joined Bankers Trust, holding a number of senior positions, including President of Japan Bankers Trust. He was appointed Chief Executive Officer – Asia/Pacific for Deutsche Asset Management in 1999. He retired from that full time position in 2002, although remained a Non-Executive Director of Deutsche Asset Management until June 2007. Brian has been Chairman of Spark Infrastructure Limited, Hastings Funds Management, BT Investment Management Limited, OAK Possability (a not-for-profit organisation in the Tasmanian disability sector) and most recently Macquarie Point Development Corporation. He has also been Non-Executive Director of Dexus Property Group, Tasplan Super and State Super Finance Services. Brian has held many industry positions including Vice Chair of the Financial Services Council (then known as the Investment & Financial Services Association), a part-time member of the Federal Government's Financial Reporting Council and a panel member for the Financial Industry Complaints Service.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Board Member of the Audit and Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	364,936 ordinary shares held indirectly

Name:	Naomi Edwards
Title:	Independent Non-Executive Director
Qualifications:	First class honours degree in mathematics from the University of Canterbury and is a Fellow of the Actuaries Institute of Australia and a Fellow of the Australian Institute of Company Directors.
Experience and expertise:	Naomi is a professional company director who has chaired listed ASX companies, industry super funds and not-for-profit organisations. An actuary by training, with an executive background in the financial services industry, Naomi has a strong reputation in the responsible investing industry. Naomi is the current Chair of the Australian Institute of Company Directors and former Chair of Accurium. She is a past President of the Actuaries Institute of Australia. Naomi is a non-executive director of TAL and Yarra Funds Management Ltd. She was also a former Deloitte Partner and non-executive director of Australian Ethical Investments, Hunter Hall Limited and Nikko AM.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Remuneration and Nomination Committee Member of the Audit and Risk Committee
Interests in shares:	38,590 ordinary shares held directly

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Name:	Jennifer Lang
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Economics from Macquarie University, a Fellow of the Actuaries Institute of Australia and a graduate member of the Australian Institute of Company Directors.
Experience and expertise:	Jennifer is currently an independent director and Chair of the Audit Committee of Pacific Life Re. Jennifer is also an independent director and Chair of the Audit Committee of Auto & General Insurance Company and an independent director and Chair of the Risk Committee of Medical Insurance Group Australia. Jennifer was a former non-executive director of Bicycle Network and a previous board member of the Institute of Actuaries of Australia and Deloitte Australia. She was previously the CFO and Chief Actuary of CommInsure. Jennifer was the Actuary of the Year in 2020.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	20,825 ordinary shares held directly

Name:	Peter Dowding
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Civil Engineering from the University of Nottingham, Masters in Business from the University of Bath and a Fellow of the Australian Institute of Company Directors.
Experience and expertise:	Peter is one of the co-founders of Propel and also a co-founder and Chair of Propel Investments a boutique mid-market private equity fund manager ('Prop Inv'). He has almost 30 years investment experience (including with Deutsche Asset Management, State Super Investment Management Corporation) and has been responsible for completing and managing investments and also raising and managing institutional funds. Peter has been on the board of a significant number of companies, including several where he was Chairman. He was a director of Bledisloe Holdings (the largest funeral home operator in New Zealand and the second largest in Australia) prior to its sale to InvoCare Limited in 2011. Peter is Chair of the Children's Tumour Foundation of Australia and was previously a director and Chair of the Audit and Risk Committee of the Clinical Oncology Society of Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	3,487,865 ordinary shares held indirectly

Name:	Albin Kurti
Title:	Managing Director
Qualifications:	Chartered Accountant, Bachelor of Commerce from the University of Melbourne, Masters in Business Administration from the Victoria University of Technology.
Experience and expertise:	Albin co-founded Propel. He has extensive experience in sourcing, screening and executing acquisitions and actively managing business operations. He commenced his career in the insolvency and corporate finance division of Arthur Andersen, where he qualified as a chartered accountant and worked in Melbourne and Brunei. In 2000, he moved to Sydney and joined Deutsche Asset Management and, in 2007, he co-led the management buy-out of the private capital division of Deutsche Bank. He has led, co-led or been a key investment team member on a range of mergers and acquisitions ('M&A') transactions and has been a director of numerous private companies. He played an important role in the sale of Bledisloe Holdings to InvoCare in 2011 and the IPO of Propel in 2017.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	10,166,373 ordinary shares held indirectly

Directors' Report

for the year ended 30 June 2025

Name:	Fraser Henderson
Title:	Executive Director, Head of Mergers and Acquisitions, General Counsel and Company Secretary
Qualifications:	LLB from the University of Newcastle-Upon-Tyne, LLM from Sydney University, Diplomas in Applied Corporate Governance ('FCIS') and the Australasian Investor Relations ('DipInvRel'). Completed the directors' course run by the Australian Institute of Company Directors ('GAICD').
Experience and expertise:	Fraser co-founded Propel. He commenced his legal career with Ashurst, where he worked in both London and Singapore. In 2003, he moved to Sydney and joined Minter Ellison, becoming a Partner in their Private Equity and Capital Markets team in 2006. He joined Prop Inv in 2008, where he became a director of a number of its investee companies. He co-led a number of transactions for Prop Inv, and played an important role in the sale of Bledisloe Holdings to InvoCare in 2011 and the IPO of Propel in 2017.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Company Secretary
Interests in shares:	7,254,582 ordinary shares held directly and indirectly
Interests in performance rights:	80,657 performance rights over ordinary shares, which are subject to approval at the Company's 2025 Annual General Meeting.

'Other current listed directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships of listed entities (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

The Company Secretary is Fraser Henderson. For his qualifications and experience, refer to 'Information on directors' section above.

Meetings of directors

The number of meetings of the Company's Board and each board committee held during FY25, and the number of meetings attended by each director were as follows:

	Board		Audit and Risk Committee[1]		Remuneration and Nomination Committee[1]	
	Attended	Held	Attended	Held	Attended	Held
Brian Scullin	8	8	5	5	6	6
Naomi Edwards	8	8	5	5	6	6
Jennifer Lang	8	8	5	5	6	6
Peter Dowding	8	8	5	5	6	6
Albin Kurti	8	8	-	-	-	-
Fraser Henderson	8	8	-	-	-	-

Note:

1. Sub committees consist entirely of the independent non-executive directors.

Directors' Report
for the year ended 30 June 2025

Remuneration Report (audited)
This remuneration report details the nature and amount of remuneration paid to key management personnel ('KMP') of Propel Funeral Partners Limited ('Propel' or 'the Company') and the entities it controlled ('the Group') during the year ended 30 June 2025 ('FY25'), in accordance with the requirements of the Corporations Act 2001 ('Corporations Act') and its regulations.

The remuneration report is set out in the following sections:
1. Remuneration essentials
2. Response to first strike against the 2024 remuneration report
3. Non-executive remuneration
4. Executive remuneration
5. Statutory remuneration disclosures
6. Executive leadership transition
7. Additional information and disclosures

1. Remuneration essentials

KMP covered by the report
For the purposes of this remuneration report, KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, being the persons named in the table below:

Name	Position	Term as KMP
Non-executive directors:		
Brian Scullin	Non-executive director - Chair	Full year
Naomi Edwards	Non-executive director	Full year
Jennifer Lang	Non-executive director	Full year
Peter Dowding	Non-executive director	Full year
Executive KMP:		
Albin Kurti	Executive director - Managing Director and Chief Executive Officer	Full year
Fraser Henderson	Executive director - Head of Mergers and Acquisitions, General Counsel and Company Secretary	Full year
Lilli Rayner	Chief Financial Officer	Full year

There have been no changes to directors since the end of the reporting period. However, on 19 June 2025, the Group announced the following Executive Leadership Transition, effective from 1 September 2025:
- co-founders, Fraser Henderson and Lilli Rayner, will be promoted to Co-Chief Executive Officers ('Co-CEOs'), following the retirement (after 14 years) of fellow co-founder and current Managing Director, Albin Kurti, on 31 August 2025; and
- current Group Financial Controller, Arash Noaeen, will be promoted to Chief Financial Officer ('CFO').

  Ms Rayner will also join the Board of Propel effective 1 September 2025.

Principles used to determine the nature and amount of remuneration
Propel aims to attract, motivate and retain high performing and high quality personnel. The objective of the Group's senior executive remuneration framework is to reward its senior executives for the achievement of the Company's strategic objectives and shareholder value creation.

The Company's Remuneration and Nomination Committee ('RNC'), which is made up of four independent non-executive directors, is responsible for determining and reviewing remuneration arrangements for the Company's directors and senior executives. The RNC reviews and determines the remuneration structure for the executive KMP periodically to ensure it remains aligned to business requirements and the remuneration objectives. The RNC has structured a remuneration framework for the executive KMP which aims to achieve various objectives, including being:
- linked to performance;
- aligned to shareholder value creation;
- transparent;
- competitive and reasonable; and
- acceptable to shareholders.

In accordance with best practice corporate governance, the structure of non-executive director and executive KMP remuneration is separate.

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Use of remuneration consultants

During the financial year, the Company's independent non-executive directors engaged an independent remuneration consultant, to provide guidance in relation to the remuneration paid to the executive KMP, and the structure of the at risk component of their remuneration. However, no remuneration recommendations, as defined by the Corporations Act, were provided by the external consultant.

2. Response to first strike against the 2024 remuneration report

At the Company's 2024 Annual General Meeting ('AGM'), 34.3% of those shareholders who voted, voted against the adoption of the 2024 Remuneration Report. As this was greater than 25%, the Company received a first 'strike'. Since the AGM, the Board of Directors ('the Board') has sought to understand the concerns of shareholders and proxy advisors, and to address those concerns to the extent it considers appropriate. A summary of the responses and actions to the feedback is set out below:

Area of feedback	Response
1. Excessive board discretion in determining STIs for FY24	No discretionary bonuses were awarded to the executive KMPs in determining the STIs for FY25.
2. Poor disclosure of short-term incentive ('STI') measures and outcomes	The Board has implemented a balanced scorecard, unique to each executive KMP. The balanced scorecard and associated outcomes for FY25 are set out in section 4 below.
3. Cash based STI	The payment of any STI in cash has been in place since the management internalisation in 2021 (which was approved by over 98% of the Company's shareholders, who voted, at the time). The decision to pay the STI in cash was largely as a result of those who were eligible for the STI, holding significant shareholdings in the Company. The executive service agreements for Fraser Henderson and Lilli Rayner have been amended so that, from and including FY25, if they do not hold shares with a value of at least 100% of their Total Fixed Remuneration ('TFR'), then 50% of any STI will be paid in cash and 50% will be paid in cash or Propel shares, at the election of the Board, with the payment of this second component being deferred by one year. This is consistent with the executive service agreement for Arash Noaeen, which will take effect on 1 September 2025. No amendments were made to Albin Kurti's executive service agreement, given his employment will cease with effect from 31 August 2025.
4. Cash based long-term incentive ('LTI')	The payment of any LTI in cash has been in place since the management internalisation in 2021 (which was approved by over 98% of the Company's shareholders, who voted at the time). As stated above, the decision to pay the LTI in cash was largely as a result of those who were eligible to participate in the LTI plan, holding significant shareholdings in the Company. However, and notwithstanding the above, the executive service agreements for Fraser Henderson and Lilli Rayner have been amended so that the cash based LTI has been replaced with performance rights from and including FY25. This is consistent with the executive service agreement for Arash Noaeen, which will take effect on 1 September 2025. No amendments were made to Albin Kurti's executive service agreement, given his employment will cease with effect from 31 August 2025.
5. Rolling LTI structure	The LTI plan has always been an annual grant with distinct three year performance periods. To avoid any confusion, the word 'rolling' has been removed from the relevant executive service agreements.

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Area of feedback	Response
6. Single metric LTI	The Board is comfortable with the single metric LTI linked to Adjusted EPS over a three year performance period as it is of the view that an EPS metric best aligns executive KMP performance outcomes with shareholder value. The Board also notes that Propel does not have any domestic listed market industry peers with which to construct a relative TSR metric.
7. Increase to the Executive KMP Total Remuneration Package ('TRP') was too great	During the year ended 30 June 2024 ('FY24') and in connection with the executive KMP's original three year fixed term service agreements which were due to expire on 31 August 2024, the RNC undertook a benchmarking exercise with listed companies of comparable market capitalisation. The benchmarking revealed that, due to the strong growth of Propel's market capitalisation and operations since the original executive service agreements were entered into in 2021 and the inflationary environment over the relevant period, the executive remuneration was materially below market. The RNC is satisfied that the executive KMP TRPs are set in line with market. It should be noted that: - Propel has benefited from a small executive team (three people) through a period of significant growth, achieving savings for the Company and its shareholders, all whilst growing the Company's earnings and market capitalisation materially since listing in November 2017; and - over 50% of the TRPs are weighted to 'at risk' components, resulting in strong alignment of executive remuneration to performance.

3. Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors receive a director's fee and additional fees for chairing sub committees. Non-executive directors' fees are reviewed periodically by the RNC. In conducting such review, the RNC may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees are appropriate and in line with market. Non-executive directors do not receive share options or other incentives.

Non-executive directors may be paid such additional or special remuneration (out of the funds of the Company) as the Board may determine is appropriate where a director performs extra work or services which are outside the scope of ordinary duties of a director of the Company or a subsidiary of the Company. No fees of this nature were paid in FY25.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Company's AGM held in 2021, where the Company's shareholders approved a maximum annual aggregate remuneration of $750,000 per annum. The total paid in FY25 was $435,000 as set out in section 5 below.

Directors' Report
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4. Executive KMP remuneration

The Group aims to reward the executive KMP based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components. The executive KMP remuneration and reward framework for FY25 had three components:

Remuneration Framework	Purpose	Alignment	Instrument
TFR	Attract and retain Propel's executive KMPs and other talented executives, from time to time	Benchmarked with listed companies of comparable market capitalisation	Base salary, superannuation and non-monetary benefits (if applicable)
Eligible to participate in a STI plan	Reward for the achievement of financial and non financial outcomes that support Propel's strategy	Measured via a unique balanced scorecard for each executive	Subject to the shareholding hurdle (refer above) being met, 100% in cash otherwise 50% in cash and 50% in cash or shares (at the election of the Board) deferred by one year[1]
Eligible to participate in a LTI plan	Rewards performance that creates long term shareholder value	Earnings per share measured over a three year performance period	Performance rights[1]

Note:
1. *Excluding Albin Kurti. Any amount payable to Mr Kurti in connection with his incentive payments (if any) will be paid in cash pursuant to his executive service agreement, noting that he will cease to be an employee effective 31 August 2025.*

The combination of these three components comprises the executive KMP's total remuneration and are described in more detail below.

The executive KMP's total remuneration is reviewed periodically by the RNC based on individual performance, the overall performance of the Group and comparable market remunerations.

TFR
The TFR for the executive KMP is set out below:

	TFR ($) 2025	TFR ($) 2024
Albin Kurti	950,000	696,280
Fraser Henderson	680,000	535,600
Lilli Rayner	580,000	482,040
	2,210,000	1,713,920

Directors' Report

for the year ended 30 June 2025

STI Plan	
Purpose	STI is awarded for achievement of annual financial and non-financial performance conditions.
Participants	Executive KMP.
Percentage of TFR	Maximum STI opportunity as a percentage of TFR is 75% for Albin Kurti and 55% for each of Fraser Henderson and Lilli Rayner.
Target STI	60% of the maximum.
Performance period	1 July to 30 June (annual).
Performance conditions	Subject to financial (60%) and non-financial (40%) performance conditions. The financial performance condition is based on actual Operating EBITDA[1] verses target Operating EBITDA set by the Board, for the relevant financial year, adopting the financial performance scale below, on a pro-rata basis. The non-financial performance conditions are determined by the RNC each year and are set out in a balanced scorecard which is unique to each executive. Details of each executive KMP's strategic/personal metrics, relevant KPI, weighting and outcome for FY25 is set out below.
Financial performance scale	**Operating EBITDA versus target** — **STI outcome** Below 90% — Nil 90% to 100% — 20% to 60% (pro-rated) 100% to 110% — 60% to 100% (pro-rated) 110% or greater — 100%
Measurement of performance conditions	Following the end of the financial year, the RNC assesses the performance of each executive KMP against the performance conditions set and determines the actual level of award for that executive KMP. The Board believes this method is the most efficient and results in the most fair outcomes.
Instrument/Payment	If an executive KMP holds Propel shares with a value of at least 100% of the Relevant TFR ('Shareholding Hurdle'), that executive will receive 100% of any STI payable, in cash, on or before 31 August each year. If an executive KMP does not meet the Shareholding Hurdle, that executive will receive 50% of any STI payable, in cash, on or before 31 August each year and, at the election of the Board, 50% in cash or Propel shares (deferred by one year (i.e. on or before 31 August in the following year)), assuming the executive KMP's employment had not been terminated for cause in the meantime.

Note:
1. *means the Group's operating earnings before interest, tax, depreciation, amortisation, accruals relating to the executives STIs and LTIs and certain non operating items, as determined by the Board.*

Directors' Report
for the year ended 30 June 2025

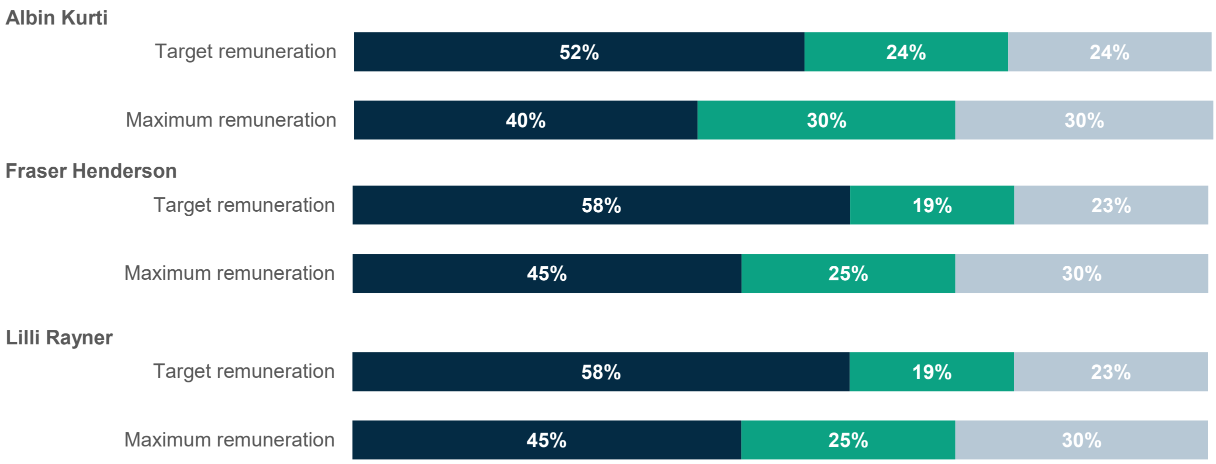
LTI Plan	
Purpose	LTI is awarded for performance metrics aimed at driving long term shareholder value.
Participants	Executive KMP.
Percentage of TFR	Maximum LTI opportunity as a percentage of TFR is 75% for Albin Kurti and 65% for each of Fraser Henderson and Lilli Rayner.
Target LTI	60% of the maximum.
Performance period	LTI grants have a three year performance period which commences on 1 July of the year they are granted. For example, the performance period in connection with FY25 relates to the period from 1 July 2024 to 30 June 2027.
Performance conditions	100% financial performance condition being Adjusted EPS[1] CAGR over a three year period, adopting the financial performance scale below, on a pro-rata basis. The Board is of the view that an EPS metric best aligns executive performance outcomes with shareholder value.
Financial performance scale	**Adjusted EPS CAGR** — **LTI outcome** Below 6% — Nil 6% to 8% — 20% to 60% (pro-rated) 8% to 10% — 60% to 100% (pro-rated) 10% or greater — 100%
Measurement of performance conditions	To measure the Adjusted EPS CAGR performance condition, financial results are extracted by reference to the Company's audited financial statements. The use of financial statements ensures the integrity of the measure and alignment with the financial performance of the Company. Adjusted EPS CAGR is calculated having regard to shares on issue and Operating NPAT[2], which measures underlying profit from the Group's ongoing operations, adjusted where the Board considers it appropriate.
Instrument/payment	For FY25 and onwards, the executive KMP (other than Albin Kurti[3]) will be granted performance rights over Propel ordinary shares (converted on a one for one basis). Performance rights are issued for no consideration and no amount is payable upon vesting. Performance rights do not carry voting rights. The executive KMP will be entitled to receive dividends declared and paid by Propel between the date of vesting and the date of exercise, settled by way of the issuance of additional Propel shares or, at the election of the Board, in cash. The number of performance rights allocated to each executive KMP is based on the percentage of TFR relevant to each executive divided by the VWAP[4] of Propel Shares for the three months ending on the last business day of the prior financial year. The LTIs previously granted (i.e. those granted in FY23 and FY24) will, if achieved, continue to be paid in cash on or around 31 August 2025 and 31 August 2026 respectively, in accordance with the relevant executive service agreements. It should be noted that the performance conditions for the FY23 grant were not met as at 30 June 2025 and, therefore, no LTI was payable in connection with the FY23 grant. Refer below for further details.
Change of control	100% of the performance rights granted to the executives will vest.

Notes:
1. *means the Group's Operating NPAT divided by the weighted average number of shares on issue in the Company.*
2. *means the Group's net profit after tax, adjusted for certain non-operating items, as determined by the Board.*
3. *any amount payable to Mr Kurti in connection with his LTI (if any) will be paid in cash pursuant to his executive service agreement, noting that he will cease to be an employee effective 31 August 2025.*
4. *means volume weighted average price.*

Directors' Report

for the year ended 30 June 2025

The target and maximum remuneration mix for the executive KMP for FY25 is illustrated below:

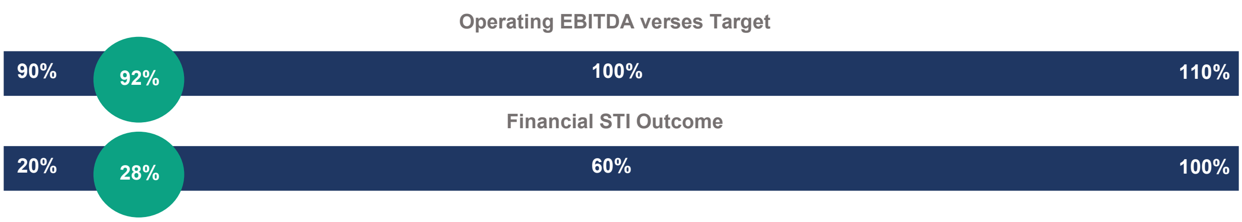


Group's performance and link to remuneration

As set out above, a significant element of the STI and LTI to which the executive KMPs are eligible are dependent on annual and long term financial measures.

STI awarded and forfeited during the financial year

In respect of FY25, the actual Operating EBITDA was approximately 92% of the target Operating EBITDA, resulting in the executives receiving 28% of their respective financial STI, as shown below:



Balanced scorecard - Albin Kurti

Strategic/ Personal Metric	Key Performance Indicator	Weighting (%)	FY25 Performance Outcome	
Financial	Target EBITDA	60	Partially Met	28
People	Employee Voluntary Turnover	10	Met	100
Safety	Workplace Health & Safety Program roll out	10	Met	100
Market Share	Market Share Growth	10	Met	100
M&A Activity	Capital Committed (two year average)	10	Met	100
Total		**100**		

Balanced scorecard - Fraser Henderson

Strategic/ Personal Metric	Key Performance Indicator	Weighting (%)	FY25 Performance Outcome	
Financial	Target EBITDA	60	Partially Met	28
M&A Activity	Acquisition Pipeline	20	Met	100
M&A Activity	Capital Committed (two year average)	20	Met	100
Total		**100**		

Directors' Report
for the year ended 30 June 2025

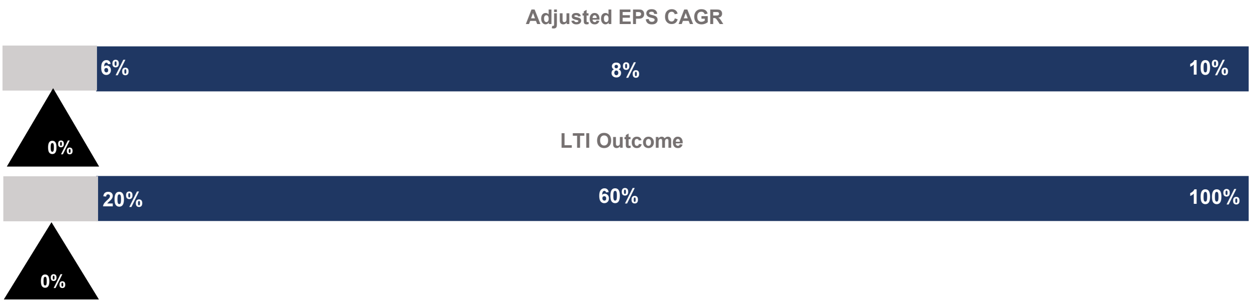
Balanced scorecard - Lilli Rayner

Strategic/ Personal Metric	Key Performance Indicator	Weighting (%)	FY25 Performance Outcome	
Financial	Target EBITDA	60	Partially Met	28
Cash Generation	Cash Flow Conversion	10	Met	100
Capital Expenditure	Maintenance Capex as a percentage of revenue	10	Met	100
M&A Activity	Capital Committed (two year average)	10	Met	100
People	Finance Employee Voluntary Turnover	10	Met	100
Total		**100**		

A summary of the STI outcomes payable to the executive KMPs are outlined in the table below:

Executive KMP:	Year	Maximum potential STI award ($)	STI awarded ($)	Percentage of maximum STI award granted %	Percentage of maximum STI award forfeited %
Albin Kurti	2025	712,500	402,733	57%	43%
	2024	522,210	444,283	85%	15%
Fraser Henderson	2025	374,000	211,400	57%	43%
	2024	267,800	240,658	90%	10%
Lilli Rayner	2025	319,000	180,311	57%	43%
	2024	241,020	226,592	94%	6%

LTI awarded during the financial year
In respect of the FY23 LTI grant, as the Adjusted EPS CAGR for the three years ended 30 June 2025 was 0%, below the lowest financial performance scale of 6%, no LTI was payable to the executive KMPs in connection with the FY23 LTI grant as set out below:



Directors' Report

for the year ended 30 June 2025

Summary of executive KMP remuneration – actual pre-tax awarded

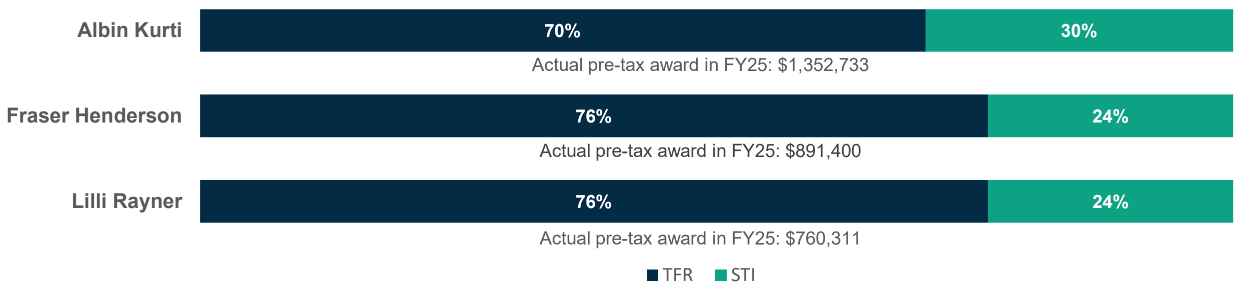
The table below provides details of the cash benefits awarded to the executive KMP in FY25 and FY24. This is a voluntary disclosure to provide shareholders with increased transparency in relation to executive KMP remuneration. Actual pay below represents the pre-tax, take home amounts for each executive KMP in connection with both years.

		Short-term benefits		Post employment benefits	Long-term benefits	
Executive KMP:	**Year**	**Salary $ 1**	**Cash bonus $ 2**	**Super-annuation $ 1,3**	**LTI $ 3,4**	**Total $**
Albin Kurti	2025	920,000	402,733	30,000	-	1,352,733
	2024	668,780	444,283	27,500	487,500	1,628,063
Fraser Henderson	2025	649,792	211,400	30,208	-	891,400
	2024	508,100	240,658	27,500	250,000	1,026,258
Lilli Rayner	2025	550,000	180,311	30,000	-	760,311
	2024	454,540	226,592	27,500	225,000	933,632
Total	**2025**	**2,119,792**	**794,444**	**90,208**	**-**	**3,004,444**
	2024	**1,631,420**	**911,534**	**82,500**	**962,500**	**3,587,954**

Notes:

1. *Cash salary and superannuation represents actual amounts received during the financial year. Cash salary excludes the movement of annual leave accruals.*
2. *STI amount awarded in connection with the relevant financial year and settled in cash, subject to meeting the Shareholding Hurdle (typically paid on or around 31 August). Superannuation on STI awarded are paid in accordance with legislative requirements, where applicable.*
3. *Superannuation contributions are paid in accordance with legislative requirements. Superannuation is included in the executive KMP's TFR.*
4. *The FY23 grant which vested on 30 June 2025 was not achieved. The FY22 grant which vested on 30 June 2024 was achieved in full.*

The actual remuneration mix and the proportion of each executive KMP's remuneration linked to performance in FY25 is illustrated below:



Directors' Report

for the year ended 30 June 2025

Executive service agreements

Remuneration and other terms of employment for the executive KMP are documented in their service agreements. Remuneration details are set out above and other key terms are summarised below:

	Albin Kurti	Fraser Henderson[1]	Lilli Rayner[1]
Position	Managing Director and Chief Executive Officer	Executive Director, Head of Mergers and Acquisitions, General Counsel and Company Secretary	Chief Financial Officer
Term	Evergreen (subject to six months' notice period)	Evergreen (subject to six months' notice period)	Evergreen (subject to six months' notice period)
Leave	5 weeks, annually	5 weeks, annually	5 weeks, annually
Termination and notice	6 months	6 months	6 months
Post employment terms	12 months non-compete	12 months non-compete	12 months non-compete
Change of control	100% of the relevant TFR payable at the date of the change of a control event	100% of the relevant TFR payable at the date of the change of a control event	100% of the relevant TFR payable at the date of the change of a control event

Note:

1. *In connection with the executive leadership transition, Fraser Henderson, Lilli Rayner and Arash Noaeen have entered into new executive service agreements, which will be effective from 1 September 2025. Refer to section 6 below for further details.*

Executive KMPs have no entitlement to termination payments in the event of removal for misconduct.

Directors' Report

for the year ended 30 June 2025

5. Statutory remuneration disclosures

The table below discloses the remuneration for each KMP calculated in accordance with statutory requirements and Australian accounting standards in respect of FY25 and FY24:

		Short-term benefits			Post-employment benefits	Long-term benefits		
	Year	Salary and fees $ 1	Cash bonus $ 2	Non-Monetary $ 3	Super-annuation $ 4	Long service leave $ 5	LTI $ 6	Total $
Non-executive directors:								
Brian Scullin	2025	134,529	-	-	15,471	-	-	150,000
	2024	96,505	-	-	10,615	-	-	107,120
Naomi Edwards	2025	100,000	-	-	-	-	-	100,000
	2024	74,984	-	-	-	-	-	74,984
Jennifer Lang	2025	89,686	-	-	10,314	-	-	100,000
	2024	67,553	-	-	7,431	-	-	74,984
Peter Dowding	2025	76,233	-	-	8,767	-	-	85,000
	2024	57,903	-	-	6,369	-	-	64,272
Executive KMP:								
Albin Kurti	2025	922,663	402,733	4,327	30,000	5,221	(108,563)	1,256,381
	2024	650,985	444,283	4,917	27,500	1,886	(251,063)	878,508
Fraser Henderson	2025	662,525	211,400	-	30,208	3,575	(40,350)	867,358
	2024	546,919	240,658	-	27,500	1,429	(128,750)	687,756
Lilli Rayner	2025	592,133	180,311	4,864	30,000	39,214	(40,475)	806,047
	2024	447,077	226,592	4,479	27,500	9,301	(115,875)	599,074
Total	**2025**	**2,577,769**	**794,444**	**9,190**	**124,760**	**48,010**	**(189,388)**	**3,364,785**
	2024	**1,941,925**	**911,534**	**9,396**	**106,916**	**12,616**	**(495,688)**	**2,486,699**

Notes:

1. *The total cost of cash salary including annual leave taken and the increase or decrease in the annual leave provision applicable as determined in accordance with AASB 119 Employee Benefits.*
2. *STI amount awarded in connection with the relevant financial year and settled in cash, subject to meeting the Shareholding Hurdle (typically paid on or around 31 August). Superannuation on STI awarded are paid in accordance with legislative requirements, where applicable.*
3. *Non-monetary benefits represent the costs to the Group, including any fringe benefits tax, for the provision of car parking.*
4. *Superannuation contributions are paid in accordance with legislative requirements. Superannuation is included in the executive KMP's TFR.*
5. *Amounts disclosed represent the movements in the accrual in accordance with AASB 119 Employee Benefits.*
6. *LTIs are dependent upon the Adjusted EPS CAGR over a three year period. In relation to the unvested LTIs:*
   - 20% of the FY25 grant has been accrued in FY25, noting the Adjusted EPS CAGR for the first year was -6.8%, below the lowest threshold; and
   - 50% of the FY24 grant ($0.5 million) was released during FY25, given the two year Adjusted EPS CAGR was -6.0%, below the lowest threshold, and as per the relevant service agreements, any LTI payable in connection with the FY24 grant will be settled in cash and any LTI payable in connection with FY25 will be settled via the issue of performance rights (subject to approval at the Company's 2025 AGM, if applicable), other than for Albin Kurti.

During FY25, 100% of non-executive director's remuneration was fixed and none was at risk.

Directors' Report

for the year ended 30 June 2025

FY25 Executive KMP performance rights allocations

The following table shows the movement during the financial year in the number of performance-related rights issued over ordinary shares in Propel held directly, indirectly or beneficially by the executive KMP, including their personally related parties.

Executive KMP[1]	Held as at 1 July 2024	Allocated as compensation during the year[2]	Vested during the year	Cancelled/lapsed during the year	Held at 30 June 2025
Fraser Henderson	-	80,657	-	-	80,657
Lilli Rayner	-	68,796	-	-	68,796

Notes:

1. *No performance rights were allocated to Mr Kurti for FY25. Any amount payable to Mr Kurti in connection with his LTI (if any) will be paid in cash pursuant to his executive service agreement, noting that he will cease to be an employee effective 31 August 2025.*
2. *Performance rights allocated to executive director, Fraser Henderson, are subject to shareholder approval, under ASX Listing Rule 10.14. Approval will be sought at Propel's 2025 AGM. Lilli Rayner is not an executive director and as such, Ms Rayner's performance rights are not subject to shareholder approval and were approved by the board on 3 June 2025.*

No other Executive KMP held performance-related rights over issued ordinary shares in Propel directly, indirectly or beneficially.

Outstanding performance rights for Executive KMP

The following table sets out a summary of Long Term Variable Remuneration ('LTVR') grants in relation to performance rights.

Executive KMP[1]	Award	Grant date[2]	Performance period start date	Vesting date[3]	Fair value[4]	Maximum value of grants yet to be expensed[5]
Fraser Henderson	LTVR 2025		1/7/2024	31/8/2027	5.48	345,497
Lilli Rayner	LTVR 2025	3/6/2025	1/7/2024	31/8/2027	4.49	241,451

Notes:

1. *No performance rights were allocated to Mr Kurti for FY25. Any amount payable to Mr Kurti in connection with his LTI (if any) will be paid in cash pursuant to his executive service agreement, noting that he will cease to be an employee effective 31 August 2025.Therefore, Mr Kurti is not entitled to any share-based compensation, in connection with his employment or otherwise during FY25.*
2. *Grant date of performance rights for executive director, Fraser Henderson, is pending shareholder approval at Propel's 2025 AGM under ASX Listing Rule 10.14. Lilli Rayner is not an executive director and, as such, shareholder approval is not required. Ms Rayner's rights were approved by the board on 3 June 2025.*
3. *Subject to the achievement of the relevant hurdles, the vesting date for deferred LTVR is the business day after the release of Propel's annual results in the relevant year. The vesting dates provided for future years are indicative.*
4. *Fair value shown for executive director, Fraser Henderson, is indicative only and based on Propel's 3-month VWAP to 30 June 2024. Final accounting fair value will be measured on the grant date, being the date of shareholder approval at the 2025 AGM, if approved. For Lilli Rayner, the grant date was 3 June 2025, and the share price on that date was adopted in accordance with AASB 2.*
5. *The amount represents the maximum expected remaining value of the FY25 LTI to be expensed over the vesting period based on the fair value of the rights. The minimum value of performance rights is zero. For Fraser Henderson, this amount is provisional and is subject to them being granted.*

Directors' Report

for the year ended 30 June 2025

6. Executive Leadership Transition

As announced by the Company on 24 February 2025, Propel's Managing Director and co-founder, Albin Kurti, will retire (after 14 years) on 31 August 2025. In June 2025, the Company announced that Fraser Henderson and Lilli Rayner will be appointed Co-Chief Executives, from 1 September 2025. Arash Noaeen, the Company's current Group Financial Controller, will become Chief Financial Officer, from 1 September 2025. The material terms of the executive's employment are set out below. The total maximum remuneration for the three executives in FY26 (annualised) is no more than the current maximum potential remuneration payable to the three executive KMP in FY25.

	Fraser Henderson	Lilli Rayner	Arash Noaeen
Term of agreement	Evergreen (subject to 12 months' notice period)	Evergreen (subject to 12 months' notice period)	Evergreen (subject to six months' notice period)
TFR	$824,000 per annum	$824,000 per annum	$412,000 per annum
STI	up to 75% of the relevant TFR	up to 75% of the relevant TFR	up to 50% of the relevant TFR
LTI	up to 75% of the relevant TFR	up to 75% of the relevant TFR	up to 50% of the relevant TFR
Change of control	100% of the relevant TFR payable at the date of the change of a control event.	100% of the relevant TFR payable at the date of the change of a control event.	100% of the relevant TFR payable at the date of the change of a control event.

7. Additional information and disclosures

KMP shareholding

The number of shares in the Company held during FY25 by each KMP, including their associated entities, is set out below:

	Balance at the start of the year	Received as part of remuneration	Purchases/ (Sales)	Other	Balance at the end of the year
Non-executive directors:					
Brian Scullin	414,936	-	(50,000)	-	364,936
Naomi Edwards	38,590	-	-	-	38,590
Jennifer Lang	20,825	-	-	-	20,825
Peter Dowding	3,487,865	-	-	-	3,487,865
Executive KMP:					
Albin Kurti	10,166,373	-	-	-	10,166,373
Fraser Henderson	7,254,582	-	-	-	7,254,582
Lilli Rayner	753,629	-	-	-	753,629
	22,136,800	**-**	**(50,000)**	**-**	**22,086,800**

Directors' Report

for the year ended 30 June 2025

Other transactions with the executive KMP and their related parties

No director of the Company has received or become entitled to receive a benefit by reason of a contract made between the Company (or any of its related entities) with any director (or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest).

Business performance

The table below shows the Group's financial performance and factors affecting total shareholders return in FY25, FY24, FY23 and FY22:

		2025	2024	2023	2022
Revenue	$'000	225,833	209,238	168,512	145,245
Operating EBITDA	$'000	56,155	55,393	45,958	39,643
Operating NPAT	$'000	21,604	21,135	20,888	18,201
Net Profit After Tax	$'000	20,399	17,812	19,010	(318)
Adjusted EPS	cents	15.7	16.8	17.7	16.2
Dividends paid in connection with the FY (fully franked)	cents	14.4	14.4	14.0	12.25
Share price at the end of the financial year	$	4.53	5.76	4.19	4.73

This concludes the Remuneration Report, which has been audited.

Shares under option

There were no unissued ordinary shares of the Company under options outstanding at the date of this directors' report.

Shares issued on the exercise of options

There were no ordinary shares of the Company issued on the exercise of options during FY25 and up to the date of this directors' report.

Shares under performance rights

Unissued ordinary shares of Propel Funeral Partners Limited under performance rights at the date of this report are as follows:

Grant date	Vesting date	Exercise price	Number under rights[1]
03/06/2025	31/08/2027	$0.00	149,453

1. 80,657 of performance rights allocated to executive director, Fraser Henderson, are subject to shareholder approval at Propel's 2025 AGM, under ASX Listing Rule 10.14.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights

There were no ordinary shares of Propel Funeral Partners Limited issued on the exercise of performance rights during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

The directors have entered into deeds of indemnity, insurance and access with the Group which confirms each director's right of access to Board papers and requires the Company to indemnify the directors on a full indemnity basis and to the fullest extent permitted by law, against all losses or liabilities (including all reasonable legal costs) incurred as an officer of the Company or of a related body corporate of the Company.

Under the deeds of indemnity, insurance and access, the Company must maintain a directors and officers insurance policy insuring each director (among others) against liability as a director and officer of the Company and its related bodies corporate until seven years after each director ceases to hold office as a director of the Company or a related body corporate (or the date any relevant proceedings commenced during the seven year period have been finally resolved). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Directors' Report

for the year ended 30 June 2025

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During FY25, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 ('Corporations Act') for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during FY25 by the auditor are outlined in note 23 to the financial statements.

The directors are satisfied that the provision of non-audit services during FY25 by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act namely:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former directors of Nexia Sydney Audit Pty Ltd

There are no officers of the Company who are former directors of the Company's auditor, Nexia Sydney Audit Pty Ltd.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this directors' report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is set out immediately after this directors' report.

This directors' report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act.

On behalf of the directors

Brian Scullin
Chairman

Albin Kurti
Managing Director

26 August 2025

Auditor's Independence Declaration

Nexia Australia

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To the Board of Directors of Propel Funeral Partners Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit director for the audit of the financial statements of Propel Funeral Partners Limited for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia

Nexia Sydney Audit Pty Ltd

Mark Boyle
Director

Date: 26 August 2025

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000
Revenue	5	225,833	209,238
Expenses			
Cost of sales and goods		(68,099)	(63,250)
Employee costs	6	(75,851)	(66,828)
Occupancy and facility expenses		(11,751)	(10,954)
Advertising expenses		(4,618)	(4,623)
Motor vehicle expenses		(3,253)	(2,990)
Other expenses		(6,597)	(5,745)
		55,664	54,848
Acquisition costs and transaction costs	6	(962)	(3,342)
Net gain on disposal of assets		88	197
Other income		42	291
Depreciation expense	6	(15,740)	(14,286)
Interest income		475	594
Interest expense	6	(10,136)	(11,645)
Net financing charge on contract assets and contract liabilities	7	(461)	(486)
Net foreign exchange losses		(45)	(93)
Profit before income tax expense		28,925	26,078
Income tax expense	8	(8,526)	(8,266)
Profit after income tax expense for the year attributable to the shareholders of Propel Funeral Partners Limited		20,399	17,812
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		2,506	(1,302)
Other comprehensive income for the year, net of tax		2,506	(1,302)
Total comprehensive income for the year attributable to the shareholders of Propel Funeral Partners Limited		22,905	16,510
		cents	**cents**
Basic earnings per share	34	14.79	14.17
Diluted earnings per share	34	14.79	14.17

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of financial position

as at 30 June 2025

	Note	Consolidated 2025 $'000	2024 $'000
Assets			
Current assets			
Cash and cash equivalents	9	9,046	7,250
Customer deposits		746	595
Contract assets	7	75,841	77,166
Trade and other receivables	10	9,548	10,062
Inventories	11	7,342	5,735
Prepayments		1,591	1,544
Current tax assets		-	916
Total current assets		104,114	103,268
Non-current assets			
Investments accounted for using the equity method	30	437	466
Property, plant and equipment	12	312,148	289,044
Right-of-use assets	13	27,875	29,303
Goodwill	14	203,728	194,497
Deferred tax assets	8	6,529	7,751
Other assets		289	251
Total non-current assets		551,006	521,312
Total assets		655,120	624,580
Liabilities			
Current liabilities			
Trade and other payables	15	14,593	12,532
Borrowings	16	24,724	24,845
Income tax		861	-
Provisions	18	12,870	13,351
Lease liabilities	17	4,498	4,137
Contract liabilities	7	83,026	84,029
Total current liabilities		140,572	138,894
Non-current liabilities			
Borrowings	16	115,661	87,423
Lease liabilities	17	26,847	28,380
Deferred tax liabilities	8	13,321	14,448
Provisions	18	3,542	3,573
Other liabilities		108	128
Total non-current liabilities		159,479	133,952
Total liabilities		300,051	272,846
Net assets		355,069	351,734
Equity			
Issued capital	19	380,844	380,436
Reserves		652	(2,018)
Accumulated losses		(26,427)	(26,684)
Total equity		355,069	351,734

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity

for the year ended 30 June 2025

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2023	280,462	(716)	(26,413)	253,333
Profit after income tax expense for the year	-	-	17,812	17,812
Other comprehensive income for the year, net of tax	-	(1,302)	-	(1,302)
Total comprehensive income for the year	-	(1,302)	17,812	16,510
Transactions with shareholders in their capacity as shareholders:				
Contributions of equity, net of transaction costs (note 19)	99,974	-	-	99,974
Dividends paid (note 20)	-	-	(18,083)	(18,083)
Balance at 30 June 2024	380,436	(2,018)	(26,684)	351,734

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Share-based payments reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2024	380,436	(2,018)	-	(26,684)	351,734
Profit after income tax expense for the year	-	-	-	20,399	20,399
Other comprehensive income for the year, net of tax	-	2,506	-	-	2,506
Total comprehensive income for the year	-	2,506	-	20,399	22,905
Transactions with shareholders in their capacity as shareholders:					
Contributions of equity, net of transaction costs (note 19)	408	-	-	-	408
Share-based payments (note 35)	-	-	164	-	164
Dividends paid (note 20)	-	-	-	(20,142)	(20,142)
Balance at 30 June 2025	380,844	488	164	(26,427)	355,069

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows

for the year ended 30 June 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		250,473	228,101
Payments to suppliers and employees (inclusive of GST)		(194,050)	(174,061)
		56,423	54,040
Interest received		482	550
Interest and other finance costs paid - borrowings		(9,231)	(10,253)
Interest paid - leases (AASB 16)		(1,059)	(1,038)
Income taxes paid		(6,627)	(8,586)
Transaction costs paid (inclusive of GST)		-	(345)
Net cash from operating activities	32	39,988	34,368
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	28	(15,874)	(96,749)
Payments for investments		-	(466)
Payments for property, plant and equipment		(25,691)	(26,429)
Proceeds from disposal of property, plant and equipment		337	2,074
Net cash outflow in contract assets and contract liabilities		(64)	(162)
Net cash used in investing activities		(41,292)	(121,732)
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs		-	97,553
Proceeds from borrowings		81,750	90,130
Repayment of borrowings		(53,850)	(117,550)
Loans to other parties		(65)	-
Repayment of lease liabilities	33	(4,597)	(4,156)
Repayment of hire purchases	33	(5)	(41)
Dividends paid	20	(20,142)	(18,083)
Net cash from financing activities		3,091	47,853
Net increase/(decrease) in cash and cash equivalents		1,787	(39,511)
Cash and cash equivalents at the beginning of the financial year		7,250	46,882
Effects of exchange rate changes on cash and cash equivalents		9	(121)
Cash and cash equivalents at the end of the financial year	9	9,046	7,250

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 1. General information

These general purpose financial statements ('financial statements') relate to Propel Funeral Partners Limited as the consolidated entity consisting of Propel Funeral Partners Limited (referred to hereafter as 'Propel', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025 (referred to hereafter as the 'Group'). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Propel is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 18.03
135 King Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors passed on 26 August 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations have been adopted from 1 July 2024:
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants.
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback.
- AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the contingent consideration arising from business combinations and any derivative financial instruments measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Reclassifications and restatements of comparatives

Where applicable, the comparative information has been reclassed or restated to be consistent with the current financial year’s presentation.

Non-IFRS information

The notes to the financial statements include certain financial measures which are not prescribed by the AASBs, namely the reference to Operating EBITDA, in note 4. Operating Earnings Before Interest, Tax, Depreciation and Amortisation (‘Operating EBITDA') is used to report the operating segments given the directors assess this to be one of the core earnings measures for the Group. This measure has not been subject to specific audit. However, it has been extracted from the information disclosed in the audited financial statements.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

Parent entity information
In accordance with the Corporations Act, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 36.

Principles of consolidation
The financial statements incorporate the assets and liabilities of all subsidiaries of Propel as at 30 June 2025 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Australian dollars at the closing rate. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Rendering of service and sale of goods
Revenue is recognised upon rendering of service and sale of goods; i.e. when the funeral, cremation or other service are performed or goods supplied which is at a point in time. It is also at this point that a contract asset and liability is crystallised which results in the contract asset being recognised as cash and a contract liability recognised as revenue. Refer to note 7 for further explanation.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Interest income
Interest income is recognised in the statement of profit or loss over the relevant period using the effective interest method.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

Propel (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Contract assets and contract liabilities

Contract assets and contract liabilities held directly by the Group and with friendly societies are recognised in the statement of financial position. The profit or loss impact is the recognition of investment income earned on those funds and a finance charge to reflect the financing component associated with the contract liability to provide future goods and services. In addition to this, administration fees charged at the time the contract is written are recognised upon completion of the contract (i.e. when the funeral service is provided). The carrying value of the contract asset and contract liability is impacted by: the investment returns; the financing charge; contracts acquired through business combinations; sale of new contract and completion of contractual services.

Contract assets are recognised when the Group has committed to provide goods or services to the customer at a future date at a fixed price, but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

Inventories

Work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Inventories includes coffins, memorial items, unsold memorial plots and burial positions, which are primarily held for trading. These are sold, consumed or realised as part of the usual operating cycle of the Group. Even when they are not expected to be realised within twelve months, they are classified as current.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Property, plant and equipment

Each class of property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	20 - 40 years
Improvements	3 - 40 years
Plant and equipment	2 - 25 years
Motor vehicles	5 - 15 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Construction in progress

Construction in progress is stated at cost and is not depreciated until it is ready for use. The costs are transferred to the relevant class of asset from the time the asset is held ready for use and is then subsequently depreciated based on the class of asset.

Right-of-use assets

Right-of-use assets are recognised at the commencement date of a lease. The right-of-use assets are measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases relating to low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised and has an indefinite useful life. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Goodwill is allocated to Cash-Generating Units ('CGUs') for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being at the regional levels. Refer to note 14 for further details.

Impairment of non-financial assets

Non-financial assets, other than goodwill, are reviewed annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or CGU to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a CGU.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities when the Group does not have a right to defer settlement of the liability for at least 12 months after the reporting period.

Lease liabilities

Lease liabilities are recognised at the commencement date of a lease. The lease liabilities are initially recognised at the present value of the lease payments to be made over the term of the leases, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivables, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred. AASB 107 ‘Statement of Cash Flows’ does not specify how to classify cash flows from interest paid as operating or financing cash flows. The Group has chosen to present interest paid on borrowings and leases as operating cash flows in the statement of cash flows.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Contingent consideration

Contingent consideration is initially recognised at fair value by using the present value of the Group's probability weighted estimate of the cash outflow. It is subsequently measured at fair value at each reporting date, which reflects management's estimate that the target will be achieved and is discounted using the Group's incremental borrowing rate.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to Executive KMP via long-term incentive ('LTI') schemes. Equity-settled transactions are awards of performance rights over shares, that are provided in exchange for the rendering of services.

The cost of equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value of the performance rights are determined by reference to the Company's share price at the grant date.

The cost is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of performance rights that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Services and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of performance rights that will ultimately vest. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

Fair value measurement

When a financial or non-financial asset or liability is measured at fair value for recognition or disclosure purposes, the fair value is based on, as applicable, the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date and on the assumption that the transaction will take place either in the principal market, or in the absence of a principal market, in the most advantageous market available.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss.

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquiree.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group does not expect these amendments to have a material impact on the amounts recognised in prior periods or will affect the current or future periods. The main standards are listed below:

- AASB 18 Presentation and Disclosure in Financial Statements
- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability
- AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11
- AASB 2014-10 Sale or contribution of assets between investor and its associate or joint venture

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each ageing group. These assumptions include historical collection rates and available forward-looking information. The allowance for expected credit losses, as disclosed in note 10, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs including any management probability analysis.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, as outlined in note 14 and in accordance with the accounting policy stated in note 2. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital, budgeted cash flows and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill
The Group assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital, budgeted cash flows and growth rates of the estimated future cash flows.

Investment income on contracts assets
Funds held in connection with pre-paid contracts are largely held with third party friendly societies who invest the funds in cash and fixed interest products (more than 90% of funds held) and other asset classes (less than 10% of funds held). Investment income on contract assets in relation to pre-paid contracts is calculated using an estimated rate which is based on past performance of the investments, having regard to interest rates during the reporting period.

Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Significant financing on contract liabilities
The Group recognises contract liabilities in relation to pre-paid funerals and other products and services where the customer pays for those products and services in advance. As the period between when the customer pays for that good or service and when the Group transfers the goods or service to a customer usually exceeds one year, it is determined there is a significant financing component for the pre-paid contracts in accordance with AASB 15 'Revenue from Contracts with Customers'. The Group discounts the nominal amount of the promised consideration to the price that the customer would pay in cash for the goods or services when (or as) they transfer to the customer, also considering the credit characteristics of the third party friendly societies where the funds are largely held.

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Contingent consideration
As discussed in note 2, contingent consideration is recognised at fair value using the present value of Group's probability weighted estimate of the cash outflow. Management estimates a 100% probability that the target will be achieved and the liability is discounted using the Group's incremental borrowing rate.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Many of the property leases to which the Group is party, have extension options. These terms maximise operational flexibility across the Group. They are only included in the calculation of the lease term if the Group is 'reasonably certain' that it will exercise the option to renew the lease. The assessment is reviewed if a significant event or change in circumstance occurs which affects this assessment and the event is within the control of the Group.

Some of the property leases to which the Group is party, have purchase options. Purchase options are only included in the measurement of the lease liabilities if the Group is 'reasonably certain' that it will exercise the option and the exercise price is fixed rather than variable.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 4. Operating segments

Identification of reportable operating segments
The Group is organised into two geographic segments, Australian operations and New Zealand operations, both of which operate in the death care related services industry. The Australian and New Zealand operations include the aggregation of a number of businesses that exhibit similar long-term financial performance and economic characteristics.

Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 4. Operating segments (continued)

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'), which includes two reportable segments, being Australia and New Zealand operations. The CODM are responsible for the allocation of resources to operating segments and assessing their performance. The CODM considers Operating EBITDA to be one of the core earnings measures of the Group.

Intersegment transactions
Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at cost. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

Consolidated - 2025	Australian operations $'000	New Zealand operations $'000	Total $'000
Revenue			
Sales to external customers	163,461	61,407	224,868
Other revenue (excluding interest)	718	247	965
Total revenue	164,179	61,654	225,833
Operating EBITDA	39,576	16,579	56,155
Acquisition costs	(882)	(80)	(962)
Net gain on disposal of assets	70	18	88
Net other income/(expenses) *	1,213	(1,662)	(449)
Depreciation and amortisation	(12,180)	(3,560)	(15,740)
Interest income **	5,465	75	5,540
Finance costs **	(9,580)	(5,621)	(15,201)
Net financing charge on contracts assets and contract liabilities	(437)	(24)	(461)
Net foreign exchange losses	(45)	-	(45)
Profit before income tax expense	23,200	5,725	28,925
Income tax expense			(8,526)
Profit after income tax expense			20,399
Assets			
Segment assets	569,087	168,217	737,304
Intersegment eliminations			(81,378)
Total assets			655,926
Liabilities			
Segment liabilities	198,989	183,246	382,235
Intersegment eliminations			(81,378)
Total liabilities			300,857

* Includes $1,596,000 management charge from the Australian operations to the New Zealand operations.
** Includes $5,065,000 interest charged on intercompany loan from the Australian operations to the New Zealand operations.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 4. Operating segments (continued)

Consolidated - 2024	Australian operations $'000	New Zealand operations $'000	Total $'000
Revenue			
Sales to external customers	156,087	52,612	208,699
Other revenue (excluding interest)	460	79	539
Total revenue	156,547	52,691	209,238
Operating EBITDA	41,198	14,195	55,393
Acquisition and transaction costs	(3,127)	(215)	(3,342)
Net gain on disposal of assets	108	89	197
Net other income/(expenses) *	600	(854)	(254)
Depreciation and amortisation	(11,488)	(2,798)	(14,286)
Interest income **	6,048	132	6,180
Finance costs **	(11,288)	(5,943)	(17,231)
Net financing charge on contracts assets and contract liabilities	(476)	(10)	(486)
Net foreign exchange losses	(93)	-	(93)
Profit before income tax expense	21,482	4,596	26,078
Income tax expense			(8,266)
Profit after income tax expense			17,812
Assets			
Segment assets	552,275	145,466	697,741
Intersegment eliminations			(73,161)
Total assets			624,580
Liabilities			
Segment liabilities	256,783	89,224	346,007
Intersegment eliminations			(73,161)
Total liabilities			272,846

* Includes $898,000 management charge from the Australian operations to the New Zealand operations.

** Includes $5,586,000 interest charged on intercompany loan from the Australian operations to the New Zealand operations.

Geographical information

	Geographical non-current assets	
	2025 $'000	2024 $'000
Australia	468,865	449,438
New Zealand	156,988	136,900
Intersegment eliminations	(81,378)	(72,777)
	544,475	513,561

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 5. Revenue

	Consolidated 2025 $'000	Consolidated 2024 $'000
Revenue from contracts with customers	224,868	208,699
Other revenue		
Rent	965	539
Revenue	225,833	209,238

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2025 $'000	Consolidated 2024 $'000
Funeral operations	197,997	186,559
Cemetery, crematoria and memorial gardens	24,201	20,265
Other trading revenue	2,670	1,875
	224,868	208,699

All revenue is recognised at a point in time. Refer to note 4 for geographical region information.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 6. Expenses

	Consolidated	
	2025 $'000	2024 $'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Buildings	3,390	3,134
Improvements	1,163	911
Plant and equipment	3,897	3,650
Motor vehicles	2,405	2,153
Total depreciation - property, plant and equipment (note 12)	10,855	9,848
Building right-of-use assets	4,534	4,081
Plant and equipment right-of-use assets	336	343
Motor vehicles right-of-use assets	15	14
Total depreciation - right-of-use assets (note 13)	4,885	4,438
Total depreciation expense	15,740	14,286
Other non-operating expenses		
Acquisition costs (note 28)	962	2,997
Other transaction costs	-	345
Total other non-operating expenses	962	3,342
Interest expense		
Interest and finance charges paid/payable on borrowings	9,077	10,607
Interest and finance charges paid/payable on lease liabilities (AASB 16)	1,059	1,038
Total interest expense	10,136	11,645
Employee costs		
Employee costs and superannuation expense	71,814	63,751
Employee costs reclassed to other costs	(840)	(1,079)
Defined contribution superannuation expense	4,713	4,156
Share-based payments expense	164	-
Total employee costs	75,851	66,828

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 7. Contract assets and liabilities

	Consolidated 2025 $'000	Consolidated 2024 $'000
Contract assets		
– pre-paid contracts	75,841	77,166
Contract liabilities		
– pre-paid contracts	80,826	82,156
– monument works	2,200	1,873
	83,026	84,029

Pre-paid contracts
The Group recognises contract assets and contract liabilities in relation to pre-paid funerals, memorials and other products and services where the customer pays for those products and services in advance. Funds held in connection with pre-paid contracts are largely held with third party friendly societies who invest the funds in cash and fixed interest products (more than 90% of funds held) and other asset classes (less than 10% of funds held).

Profit or loss impacts and movements in contract assets and contract liabilities in relation to the pre-paid contracts are set out below:

	Consolidated 2025 $'000	Consolidated 2024 $'000
Profit or loss impact of undelivered contract assets and contract liabilities - pre-paid contracts		
Investment income on contracts assets	1,614	1,614
Finance charge on contracts liabilities	(2,075)	(2,100)
Net financing charge on contract assets and contract liabilities - pre-paid contracts	(461)	(486)

	Consolidated 2025 $'000	Consolidated 2024 $'000
Movements in contract assets - pre-paid contracts		
Opening balance	77,166	64,511
Sales of new contract assets	4,700	3,785
Redemption of contract assets following service delivery	(7,650)	(7,345)
Increase due to business combinations (note 28)	-	14,607
Exchange differences	11	(6)
Increase due to investments returns	1,614	1,614
Closing balance	75,841	77,166
Contract assets expected to be realised within one year	7,518	8,740
Contract assets expected to be realised after one year	68,323	68,426
Total contract assets - pre-paid contracts	75,841	77,166

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 7. Contract assets and liabilities (continued)

	Consolidated 2025 $'000	Consolidated 2024 $'000
Movements in contract liabilities - pre-paid contracts		
Opening balance	82,156	69,620
Sales of new contract liabilities	4,700	3,785
Decrease following delivery of services	(8,116)	(7,950)
Increase due to business combinations (note 28)	-	14,607
Exchange differences	11	(6)
Increase due to finance charge applied in accordance with AASB 15	2,075	2,100
Closing balance	80,826	82,156
Contract liabilities expected to be realised within one year	8,012	9,305
Contract liabilities expected to be realised after one year	72,814	72,851
Total contract liabilities - pre-paid contracts	80,826	82,156

All contract assets and contract liabilities have been treated as current because the asset and the liability originate from the same contract. The contract liability is recognised as a current liability as the Group does not have a right to defer settlement of the liability for more than 12 months after the reporting period. Accordingly, because the liability is classified as current, the associated contract asset balance is also classified as current.

The assets and liabilities have been split between amounts ‘expected to be realised within one year’ and ‘amounts expected to be realised after one year’ based on historical trends.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 8. Income tax

	Consolidated 2025 $'000	Consolidated 2024 $'000
Income tax expense		
Current tax	8,367	7,681
Deferred tax - origination/(reversal) of temporary differences	372	573
Adjustment recognised for prior periods	(213)	12
Aggregate income tax expense	8,526	8,266
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	1,235	1,279
Decrease in deferred tax liabilities	(863)	(706)
Deferred tax - origination/(reversal) of temporary differences	372	573
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	28,925	26,078
Tax at the statutory tax rate of 30%	8,678	7,823
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Net financing charge on contract assets and liabilities	1	8
Entertainment expenses	85	58
Acquisition costs	1	421
Other non-allowable/(non-assessable) items	89	36
	8,854	8,346
Adjustment recognised for prior periods	(213)	12
Difference in overseas tax rates	(115)	(92)
Income tax expense	8,526	8,266

	Consolidated 2025 $'000	Consolidated 2024 $'000
Amounts credited directly to equity		
Deferred tax assets	-	(774)

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 8. Income tax (continued)

	Consolidated 2025 $'000	Consolidated 2024 $'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	95	83
Employee benefits	3,707	3,738
Accrued expenses	47	57
Termination fee in connection with the management internalisation	976	1,916
Transaction costs	-	85
Net movement of lease balances (AASB 16)	1,146	1,066
	5,971	6,945
Amounts recognised in equity:		
Transaction costs on share issue	558	806
Deferred tax asset	6,529	7,751
Movements:		
Opening balance	7,751	7,752
Charged to profit or loss	(1,235)	(1,279)
Credited to equity	-	774
Additions through business combinations (note 28)	28	511
Other adjustments	12	20
Net movement of lease balances (AASB 16)	(27)	(27)
Closing balance	6,529	7,751

	Consolidated 2025 $'000	Consolidated 2024 $'000
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	13,321	14,448
Deferred tax liability	13,321	14,448
Movements:		
Opening balance	14,448	14,410
Credited to profit or loss	(863)	(706)
Additions through business combinations (note 28)	20	1,708
Reclassification of building to land for properties acquired in connection with an acquisition	-	(960)
Other adjustments	(70)	(4)
Release of deferred balance on disposal of property	(214)	-
Closing balance	13,321	14,448

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 9. Cash and cash equivalents

	Consolidated 2025 $'000	Consolidated 2024 $'000
Current assets		
Cash on hand	59	48
Cash at bank	8,987	7,202
	9,046	7,250

Note 10. Trade and other receivables

	Consolidated 2025 $'000	Consolidated 2024 $'000
Current assets		
Trade receivables - customer contracts	9,704	10,189
Other receivables	165	165
Less: Allowance for expected credit losses	(321)	(292)
	9,548	10,062

Allowance for expected credit losses

The Group has recognised a provision of allowance for expected credit losses of $179,000 (2024: reversal for expected credit losses of $36,000) in profit or loss for the year ended 30 June 2025.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	2025 %	2024 %	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Current	-	-	7,017	6,838	19	14
1 to 3 months overdue	3%	2%	1,102	1,403	33	35
3 to 6 months overdue	10%	7%	495	677	50	47
Over 6 months overdue	17%	14%	1,255	1,436	219	196
			9,869	10,354	321	292

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2025 $'000	Consolidated 2024 $'000
Opening balance	292	429
Loss allowance (released)/ recognised during the year	179	(36)
Receivables written off during the year as uncollectable	(117)	(85)
Movement in acquired provisions	(37)	(18)
Movements in exchange rates	4	2
Closing balance	321	292

Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 11. Inventories

	Consolidated 2025 $'000	Consolidated 2024 $'000
Current assets		
Work in progress - at cost	1,084	138
Finished goods - at cost	6,295	5,634
Less: Provision for inventory obsolescence	(37)	(37)
	7,342	5,735

Note 12. Property, plant and equipment

	Consolidated 2025 $'000	Consolidated 2024 $'000
Non-current assets		
Land - at cost	124,938	115,230
Buildings - at cost	139,099	131,453
Less: Accumulated depreciation	(17,342)	(13,909)
	121,757	117,544
Improvements - at cost	19,529	17,072
Less: Accumulated depreciation	(4,364)	(3,189)
	15,165	13,883
Plant and equipment - at cost	43,432	37,784
Less: Accumulated depreciation	(19,327)	(15,401)
	24,105	22,383
Motor vehicles - at cost	28,466	24,719
Less: Accumulated depreciation	(11,594)	(9,856)
	16,872	14,863
Construction in progress - at cost	9,311	5,141
	312,148	289,044

Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 12. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land $'000	Buildings $'000	Improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Construction in progress $'000	Total $'000
Balance at 1 July 2023	73,700	101,314	9,683	17,586	10,847	3,057	216,187
Additions	3,158	1,982	627	2,152	1,943	19,085	28,947
Additions through business combinations	29,711	20,121	676	3,545	2,527	-	56,580
Disposals	(1,275)	(377)	-	(44)	(431)	-	(2,127)
Exchange differences	(366)	(248)	(12)	(26)	(31)	(12)	(695)
Transfers in/out	10,302	(2,114)	3,820	2,820	2,161	(16,989)	-
Depreciation expense (note 6)	-	(3,134)	(911)	(3,650)	(2,153)	-	(9,848)
Balance at 30 June 2024	115,230	117,544	13,883	22,383	14,863	5,141	289,044
Additions	7,080	3,546	1,286	2,857	1,859	10,263	26,891
Additions through business combinations (note 28)	1,856	2,939	47	604	498	-	5,944
Disposals	-	-	-	(17)	(347)	(5)	(369)
Exchange differences	772	482	70	66	69	35	1,494
Transfers in/out	-	636	1,042	2,109	2,335	(6,123)	(1)
Depreciation expense (note 6)	-	(3,390)	(1,163)	(3,897)	(2,405)	-	(10,855)
Balance at 30 June 2025	124,938	121,757	15,165	24,105	16,872	9,311	312,148

Note 13. Right-of-use assets

	Consolidated 2025 $'000	Consolidated 2024 $'000
Non-current assets		
Land and buildings - right-of-use	45,384	42,862
Less: Accumulated depreciation	(18,247)	(14,463)
	27,137	28,399
Plant and equipment - right-of-use	1,460	1,552
Less: Accumulated depreciation	(730)	(671)
	730	881
Motor vehicles - right-of-use	43	43
Less: Accumulated depreciation	(35)	(20)
	8	23
	27,875	29,303

Right-of-use assets are tested for impairment whenever events or changes in circumstances indicates that their carrying amounts may not be recoverable. For impairment testing, the right-of-use assets have been allocated to the regional CGUs. Refer to note 14 for further information on the impairment testing key assumptions and sensitivity analysis.

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for the year ended 30 June 2025

Note 13. Right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2023	30,406	615	37	31,058
Additions	408	352	-	760
Additions through business combinations	3,302	260	-	3,562
Lease reassessment and rent increases	859	2	-	861
Early terminations	(2,423)	-	-	(2,423)
Exchange differences	(72)	(5)	-	(77)
Depreciation expense (note 6)	(4,081)	(343)	(14)	(4,438)
Balance at 30 June 2024	28,399	881	23	29,303
Additions	908	175	-	1,083
Additions through business combinations (note 28)	1,272	17	-	1,289
Lease reassessment and rent increases	1,049	-	-	1,049
Early terminations	(89)	(10)	-	(99)
Exchange differences	132	3	-	135
Depreciation expense (note 6)	(4,534)	(336)	(15)	(4,885)
Balance at 30 June 2025	27,137	730	8	27,875

For other lease related disclosures, refer to the following:
- note 6 for details of depreciation on right-of-use assets and interest on lease liabilities;
- note 17 for lease liabilities at 30 June 2025;
- note 21 for undiscounted future lease commitments; and
- statement of cash flows for repayment of lease liabilities.

Note 14. Goodwill

	Consolidated 2025 $'000	Consolidated 2024 $'000
Non-current assets		
Goodwill - at cost	203,728	194,497

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 14. Goodwill (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $'000
Balance at 1 July 2023	155,380
Additions through business combinations	40,563
Reclassification of building to land for properties acquired in connection with an acquisition	(960)
Exchange differences	(486)
Balance at 30 June 2024	194,497
Additions through business combinations (note 28)	8,189
Adjustments for prior year business combinations	9
Exchange differences	1,033
Balance at 30 June 2025	203,728

Goodwill acquired through business combinations has been allocated to CGUs on a regional level, which is consistent with reporting and monitoring for management purposes. The CGUs identified for the year ended 30 June 2025 and 30 June 2024 are as follows:
- New South Wales (NSW)
- Queensland (QLD)
- Victoria (VIC)
- Tasmania (TAS)
- South Australia (SA)
- Western Australia (WA)
- Australian Capital Territory (ACT)
- New Zealand (NZ)

Goodwill is specific to each CGU and is allocated as follows:

	Consolidated 2025 $'000	2024 $'000
NSW	39,595	39,595
QLD	41,451	41,442
VIC	21,629	21,629
TAS	13,645	13,645
SA	12,654	12,654
WA	11,287	11,287
ACT	6,484	6,484
NZ	56,983	47,761
	203,728	194,497

Impairment testing

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a 5 year discounted cash flow model. The Board approved budgeted cashflows have been used for the first year and then extrapolated for a further 4 years using steady rates, together with a terminal value. Budgeted cash flows have been based on past performance and expectations for the future.

Key assumptions are those to which the recoverable amount of an asset or CGU is most sensitive and are as follows:
- discount rate; and
- growth rates.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 14. Goodwill (continued)

The key assumptions, including the pre-tax discount rate which was 10.8% (2024: 10.8%), used for assessing the carrying value of goodwill of each CGU reflect the risk estimates for the business as a whole.

Growth rates of 5.0% (30 June 2024: 5.2%) for revenue, 4.3% (30 June 2024: 4.3%) for cost of sales and goods and 2.7% (30 June 2024: 2.7%) for operating expenses and overheads have been adopted. These growth rates are broadly in line with historical trends and forecasts prepared by market analysts.

Based on the above, the Group's recoverable amount exceeded the Group's carrying amount. Given this, no impairment was recognised.

Sensitivity
As disclosed in note 3, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. Sensitivity analysis has been performed by adjusting underlying assumptions unfavourably by 10%. The analysis indicated that material headroom exists in the value-in-use calculations for each CGU.

Note 15. Trade and other payables

	Consolidated	
	2025 $'000	**2024 $'000**
Current liabilities		
Trade payables	5,158	4,087
Deposits	1,235	980
Accrued expenses	3,848	3,952
GST payable	1,460	1,137
Other payables	2,892	2,376
	14,593	12,532

Refer to note 21 for further information on financial risk management.

Note 16. Borrowings

	Consolidated	
	2025 $'000	**2024 $'000**
Current liabilities		
Bank Loans	24,724	24,840
Hire purchases	-	5
	24,724	24,845
Non-current liabilities		
Bank Loans	115,661	87,423
	140,385	112,268
Senior Debt	141,053	113,153
Less: loan establishment costs	(668)	(890)
Total Bank Loans	140,385	112,263

Refer to note 21 for further information on financial risk management.

Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 16. Borrowings (continued)

Bank Loans
As at the reporting date, the Group was party to the following debt facilities with the Westpac Banking Corporation ('Financier'):
- $250,000,000 senior debt facility which matures in October 2027; and
- $25,000,000 working capital facility which matures in October 2027 and is required to be cleaned down annually,

resulting in total debt facilities of $275,000,000 (together, 'Senior Debt'), of which $141,053,000 was drawn as at 30 June 2025 (30 June 2024: $113,153,000). The net debt position (i.e. drawn Senior Debt less cash and cash equivalents of $9,046,000) was $132,007,000 as at 30 June 2025 (30 June 2024: $105,903,000).

In connection with the Senior Debt, the Company and its subsidiaries have granted a charge in favour of the Financier over all its assets and guaranteed the payment of the secured monies.

Financing arrangements
As at the reporting date, the Group had access to the following funding sources:

	Consolidated	
	2025 $'000	2024 $'000
Total Senior Debt facilities	275,000	275,000
Used at the reporting date	(141,053)	(113,153)
Unused at the reporting date	133,947	161,847

The financial covenant ratios applicable to the Senior Debt are tested biannually and calculated on a 12 month rolling basis and, as at 30 June 2025, were as follows:
- net leverage ratio which must be no greater than 5.0x; and
- a fixed charge cover ratio which must be greater than 1.75x.

Both covenant ratios were satisfied as at 30 June 2025, being 2.1x (30 June 2024: 1.6x) and 3.9x (30 June 2024: 3.6x) respectively. The Group are not aware of any facts or circumstances that indicate that it may have difficulty complying with the financial covenant ratios in the 12 months following the reporting period.

Note 17. Lease liabilities

	Consolidated	
	2025 $'000	2024 $'000
Current liabilities		
Lease liability	4,498	4,137
Non-current liabilities		
Lease liability	26,847	28,380
	31,345	32,517

Refer to note 13 for further information on right-of-use assets.

Refer to note 21 for further information on financial risk management.

Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 18. Provisions

	Consolidated 2025 $'000	2024 $'000
Current liabilities		
Employee benefits	11,031	11,161
Contingent consideration (note 22)	1,773	2,130
Lease make good	66	60
	12,870	13,351
Non-current liabilities		
Employee benefits	640	973
Contingent consideration (note 22)	2,293	2,013
Lease make good	304	294
Perpetual maintenance care provision	305	293
	3,542	3,573
	16,412	16,924

Lease make good
The provision represents the present value of the estimated cost to make good premises leased by the Group at the end of the respective lease terms.

Perpetual maintenance care provision
The provision represents the estimated perpetual maintenance care of the Group's cemeteries and memorial sites.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2025	Lease make good $'000	Perpetual maintenance care $'000
Carrying amount at the start of the year	354	293
Additional provisions recognised	28	12
Additions through business combinations (note 28)	13	-
Unused amounts reversed	(38)	-
Movements due to change in discount rate	13	-
Carrying amount at the end of the year	370	305

Note 19. Issued capital

	Consolidated 2025 Shares	2024 Shares	2025 $'000	2024 $'000
Ordinary shares - fully paid	137,973,594	137,873,815	380,844	380,436

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 19. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price/ fair value	$'000
Balance	1 July 2023	117,959,990		280,462
Shares issued- business combinations	11 August 2023	57,654	$3.08	177
Shares issued - business combinations	18 August 2023	222,878	$3.13	697
Shares issued - business combinations	1 September 2023	58,685	$3.13	184
Shares issued - business combinations	23 January 2024	19,086	$3.64	69
Shares issued - placement (net of transactions costs and tax)	6 February 2024	15,533,999	$5.15	80,000
Shares issued - share purchase plan (net of transactions costs and tax)	1 March 2024	3,976,552	$5.15	20,479
Shares issued - business combinations	5 March 2024	44,971	$3.86	174
Transaction costs		-	$0.00	(1,806)
Balance	30 June 2024	137,873,815		380,436
Shares issued - business combinations (note 28)	17 July 2024	84,534	$4.03	341
Shares issued - business combinations (note 28)	1 April 2025	15,245	$4.43	67
Balance	30 June 2025	137,973,594		380,844

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may raise further debt, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and/or sell assets.

The capital risk management policy is unchanged from the 2024 Annual Report.

Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 20. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	2025 $'000	2024 $'000
Final dividend for the year ended 30 June 2024 of 7.2 cents (30 June 2023: 6.9 cents) per ordinary share	9,933	8,159
Interim dividend for the year ended 30 June 2025 of 7.4 cents (30 June 2024: 7.2 cents) per ordinary share	10,209	9,924
	20,142	18,083

Dividends not recognised at year end
In addition to the above and since the reporting date, the directors declared a fully franked dividend of 7.0 cents per ordinary share on 26 August 2025. This dividend will be paid on 2 October 2025. This equates to an estimated total distribution of $9,658,000. The financial effect of the dividend declared after the reporting date is not reflected in the 30 June 2025 financial statements and will be recognised in the subsequent financial period.

Franking credits

	Consolidated	
	2025 $'000	2024 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	9,358	12,561

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits that will arise from the:
- net payment of the amount of the provision for income tax at the reporting date;
- payment of dividends recognised as a liability at the reporting date;
- receipt of dividends recognised as receivables at the reporting date; and
- franking credits acquired through business combinations.

Note 21. Financial risk management

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group may use interest rate swaps to partially hedge its exposure to the interest rate risk associated with its net debt. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk and ageing analysis for credit risk.

Strategic risk management is carried out by the Board. The Audit and Risk Committee is responsible for operational and financial risk management. Matters addressed by the Audit and Risk Committee include, but are not limited to, identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. During the year ended 30 June 2025, senior executives of the Group:
- identified, evaluated and hedged (where relevant) financial and operational risks within the Group's operating units; and
- conferred with the Board regularly regarding the financial and operational performance of the Group and strategic risk management matters, noting that 8 Board meetings were held during FY25.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 21. Financial risk management (continued)

Market risk

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from recognised financial assets and financial liabilities that are denominated in a currency that is not the Group's functional currency, the Australian dollar. The foreign exchange exposure relates to the investments in controlled entities in New Zealand. However, the Group is not exposed to significant foreign currency risk.

Price risk
The Group is the ultimate beneficiary of the funds invested in various friendly societies and prepaid contract trusts, as described in note 2 and note 7. The majority of the funds are held in cash and fixed interest investments which have minimal price risk associated with the investment.

Interest rate risk
The Group's main interest rate risk arises from borrowings, cash at bank and contract assets. Borrowings, cash at bank and contract assets with variable interest rates expose the Group to interest rate risk. Borrowings and cash at bank obtained at fixed rates expose the Group to fair value interest rate risk.

The Group’s interest rate risk target is to maintain a hedging level of approximately 40% of the net debt in connection with the Senior Debt (excluding the working capital facility) at any given reporting date. However, the Board may elect to increase or reduce the hedging level having regard to, among other things, the quantum of drawn debt, level of gearing and the historical and forecast interest rate environment at a particular point in time.

The Group may use interest rate swaps to partially hedge its exposure to the interest rate risk associated with its net debt. As at 30 June 2025, the Group was 100% unhedged.

As at the reporting date, the Group had the following variable rates on borrowings, cash at bank and contract assets (an analysis by maturities is provided in the liquidity risk section of this note):

Consolidated	2025 Weighted average interest rate %	2025 Balance $'000	2024 Weighted average interest rate %	2024 Balance $'000
Cash at bank	4.18%	8,987	5.00%	7,202
Contract assets	2.00%	75,841	2.00%	77,166
Senior Debt *	6.24%	(141,053)	6.72%	(113,153)
Net exposure to cash flow interest rate risk		(56,225)		(28,785)

* The weighted average interest rate includes the establishment fees.

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

An official increase/decrease in interest rates of 100 (2024: 100) basis points would have a (unfavourable)/favourable effect on profit before tax of ($562,000)/$562,000 (2024: (unfavourable)/favourable effect on profit before tax of ($288,000)/ $288,000) and unfavourable/favourable effect on equity of ($394,000)/$394,000 (2024: and unfavourable /favourable effect of ($201,000)/$201,000) per annum. The percentage change is based on the expected volatility of interest rates using market data and analyst forecasts.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 21. Financial risk management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognise financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. Credit risk in relation to customers is highly dispersed and without concentration on any particular customer, region or segment. In respect of funeral services, in most cases the Group collects deposits at the time the service is arranged. Cemetery and memorial products are generally not delivered prior to the receipt of all of the amounts due.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on historical collection rates and available forward-looking information.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	2025 $'000	2024 $'000
Senior Debt (note 16)	133,947	161,847

The key terms and covenants relating to the Senior Debt financing arrangements are disclosed in note 16.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2025	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	5,158	-	-	-	5,158
Other payables	6,013	-	-	-	6,013
Contingent consideration	1,703	1,505	1,095	-	4,303
Interest-bearing					
Bank Loans	33,703	8,703	118,986	-	161,392
Lease liability	5,452	4,998	10,309	15,895	36,654
Total non-derivatives	52,029	15,206	130,390	15,895	213,520

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Note 21. Financial risk management (continued)

Consolidated - 2024	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	4,087	-	-	-	4,087
Other payables	5,799	-	-	-	5,799
Contingent consideration	2,130	1,130	1,124	63	4,447
Interest-bearing					
Bank Loans	32,604	7,604	98,319	-	138,527
Hire purchase	5	-	-	-	5
Lease liability	5,050	4,840	10,927	17,534	38,351
Total non-derivatives	49,675	13,574	110,370	17,597	191,216

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 22. Fair value measurement

Fair value hierarchy
This section outlines the valuation techniques used to measure fair value of financial instruments which maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2025	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Current				
Contingent consideration	-	-	1,773	1,773
Non-current				
Contingent consideration	-	-	2,293	2,293
Total liabilities	-	-	4,066	4,066

Consolidated - 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Current				
Contingent consideration	-	-	2,130	2,130
Non-current				
Contingent consideration	-	-	2,013	2,013
Total liabilities	-	-	4,143	4,143

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 22. Fair value measurement (continued)

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Due to the nature of contingent consideration, it has been categorised as Level 3.

Contingent consideration represents the obligation to pay additional amounts to vendors in respect of businesses acquired by the Group, subject to certain conditions being met. It is measured at the present value of the estimated liability. The fair value of contingent consideration is calculated on the expected future cash outflows. The contingent consideration is a performance based payment. These are reviewed at the reporting date to provide the expected future cash outflows for each contract. Upon completion of the review the future cash outflows are then discounted to present value using the Group incremental borrowing rate.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Contingent consideration $'000
Balance at 1 July 2023	3,923
Payments made	(2,201)
Additions through business combinations	2,386
Movement due to changes in discount rate	216
Foreign exchange difference	(52)
Amounts reversed	(129)
Balance at 30 June 2024	4,143
Payments made (note 28)	(2,126)
Additions through business combinations (note 28)	1,664
Movement due to changes in discount rate	304
Foreign exchange difference	81
Balance at 30 June 2025	4,066

Fair value movements are recognised in the statement of profit or loss as movements in interest expense. Fair value movements for the period in relation to revaluation of contingent consideration amounted to $304,000 (2024: $216,000). A stress test of 150 basis points was conducted and found to have an immaterial impact.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit Pty Ltd, the auditor of the Company:

	Consolidated 2025 $	Consolidated 2024 $
Audit services		
Audit or review of the financial statements	290,300	305,100

Notes to the consolidated financial statements
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Note 24. Contingent liabilities

The Group had $1,294,000 bank guarantees as at 30 June 2025 (30 June 2024: $1,294,000) in relation to premises the Group leases.

The directors are not aware of any other contingent liabilities that existed as at the reporting date or on the date of approval of the financial statements (30 June 2024: Nil).

Note 25. Commitments

	Consolidated	
	2025 $'000	2024 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	8,705	4,244

Note 26. Related party transactions

Parent entity
Propel Funeral Partners Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 29.

Joint ventures
Interests in joint ventures are set out in note 30.

Key management personnel
Disclosures relating to key management personnel ('KMP') are set out in note 27 and in the Remuneration Report included in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current reporting period.

Receivable from and payable to related parties
There were no trade receivables from, or trade payables to, related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to, or from, related parties at the current and previous reporting date.

Note 27. Key management personnel disclosures

KMP are defined as those having authority and responsibility for planning, directing and controlling the activities of the Group, which includes the directors of Propel. The Board however does not manage day-to-day activities of the Group.

The aggregate compensation in respect of the KMP is as follow:

	Consolidated	
	2025 $	2024 $
Short-term employee benefits	3,381,404	2,862,855
Post-employment benefits (superannuation)	124,760	106,916
Long-term benefits - long service leave	48,010	12,616
Long-term benefits - long-term incentive	(189,388)	(495,688)
	3,364,786	2,486,699

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for the year ended 30 June 2025

Note 28. Business combinations

Decra

In July 2024, the Group acquired the business and assets associated with Decra Art Headstones & Monuments (‘Decra’), which has supplied headstones and monuments across New Zealand for over 40 years. Consideration of $6,466,000 was paid on settlement and consisted of $6,125,000 in cash and 84,534 ordinary shares in Propel (recognised at a fair value of $341,000 given the escrow arrangements) and a further amount of $1,188,000 (present value) will be paid if certain financial thresholds are achieved, resulting in total consideration of up to $7,654,000.

Twentymans Funeral Services

In February 2025, the Group acquired the business, assets and certain freehold properties associated with Twentymans Funeral Services and Thames Crematory ('Twentymans'), which provides funeral and related services from four locations in and around Thames & Whanamata, New Zealand.

Richmond Funeral Home & Clareville Crematorium

In April 2025, the Group acquired the business, assets and certain freehold properties associated with Richmond Funeral Home (including Clareville Crematorium) ('Richmond Funerals') which provides funeral and related services from three locations in and around Carterton, New Zealand.

Details of the purchase consideration, the net assets acquired and goodwill for the acquisitions of Twentymans and Richmond Funerals (‘Other Acquisitions’) and Decra are disclosed below.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 28. Business combinations (continued)

The assets and liabilities recognised as a result of the acquisitions are as follows:

	Decra Fair value $'000	Other Acquisitions Fair value $'000	Total $'000
Assets:			
Inventories	946	82	1,028
Other current assets	21	1	22
Property, plant and equipment	412	5,532	5,944
Right-of-use assets	1,132	157	1,289
Deferred tax asset	14	14	28
Liabilities:			
Provisions	(55)	(52)	(107)
Lease make good provision	-	(13)	(13)
Lease liabilities	(1,063)	(142)	(1,205)
Deferred monument works	(121)	-	(121)
Deferred tax liabilities	-	(20)	(20)
Other liabilities	(176)	-	(176)
Net assets acquired	1,110	5,559	6,669
Goodwill	6,544	1,645	8,189
Acquisition-date fair value of the total consideration transferred	7,654	7,204	14,858
Representing:			
Cash paid to vendor	6,125	6,661	12,786
Propel Funeral Partners Limited shares issued to vendor	341	67	408
Contingent consideration (discounted)	1,188	476	1,664
	7,654	7,204	14,858
Cash used to acquire businesses, net of cash acquired per statement of cash flows:			
Cash paid to vendors	6,125	6,661	12,786
Less: cash and cash equivalents	-	-	-
Net cash used	6,125	6,661	12,786

Goodwill recognised is attributable to the locations and the profitability of the acquired businesses and will not be deductible for tax purposes. Total acquisition costs expensed to profit and loss was $962,000. The acquisition accounting was provisional as at 30 June 2025.

	Consolidated 2025 $'000
Payment for purchase of business, net of cash acquired per cash flow statement	
Net cash used for the acquisitions	12,786
Acquisition costs	962
Contingent consideration payments (note 22)	2,126
Net cash used	15,874

Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 28. Business combinations (continued)

Details of revenues and profit/(loss) are as follows:

	Total acquisitions $'000
Revenue generated from acquisition date to 30 June 2025	4,596
Net profit after tax from acquisition date to 30 June 2025	824

If the three acquisitions had completed on 1 July 2024, it is estimated that the Group's revenue and net profit after tax for the year would have been approximately $228,426,000 and approximately $20,722,000 respectively.

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 29. Interests in subsidiaries

The financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %
PFP Finance Pty Ltd	Australia	100.0%	100.0%
PFP Midco Pty Ltd	Australia	100.0%	100.0%
FV (TAS) Pty Ltd	Australia	100.0%	100.0%
Millingtons Cemetery Services Pty Ltd	Australia	100.0%	100.0%
Millingtons Funeral Services Pty Ltd	Australia	100.0%	100.0%
Devonport Funeral Services Pty Ltd	Australia	100.0%	100.0%
Phillip Stephens Funeral Services Pty Ltd	Australia	100.0%	100.0%
FV (QLD) Pty Limited	Australia	100.0%	100.0%
South Burnett Funerals & Crematorium Pty Ltd	Australia	100.0%	100.0%
Gympie Funeral Services Pty Limited	Australia	100.0%	100.0%
Leslie G Ross Funeral Services Pty Limited	Australia	100.0%	100.0%
Premier Funeral Group Pty Ltd	Australia	100.0%	100.0%
Integrity Funeral Services Pty. Limited	Australia	100.0%	100.0%
FV (NSW) Pty Limited	Australia	100.0%	100.0%
Coonamble Funeral Services Pty Limited	Australia	100.0%	100.0%
Riverina Funeral Services Pty Ltd	Australia	100.0%	100.0%
WT Howard Funeral Services Pty Ltd	Australia	100.0%	100.0%
Tamworth & Gunnedah Funeral Services Pty. Ltd.	Australia	100.0%	100.0%
Meadow Funeral Group Pty Ltd	Australia	100.0%	100.0%
FV (VIC) Pty Ltd	Australia	100.0%	100.0%
Quinn Funeral Services Pty Ltd	Australia	100.0%	100.0%
Hall Funeral Services Pty Ltd	Australia	100.0%	100.0%
Handley Funerals Pty Ltd	Australia	100.0%	100.0%
Latrobe Valley Funeral Services Pty Ltd	Australia	100.0%	100.0%
F.W. Barnes Funeral Services Pty Ltd	Australia	100.0%	100.0%
Mildura Funeral Services Pty Ltd	Australia	100.0%	100.0%
FV (SA) Pty Ltd	Australia	100.0%	100.0%
Eyre Peninsula Funeral Services Pty Ltd	Australia	100.0%	100.0%
FV (WA) Pty Ltd	Australia	100.0%	100.0%
PFP (NZ) Limited	New Zealand	100.0%	100.0%
Far North Funeral Services Limited	New Zealand	100.0%	100.0%
Far North Memorial Gardens Limited	New Zealand	99.9%	99.9%
Davis Services Group Limited	New Zealand	100.0%	100.0%
Davis Funeral Services Limited	New Zealand	100.0%	100.0%
Morris & Morris Limited	New Zealand	100.0%	100.0%
Maunu Crematorium Limited	New Zealand	100.0%	100.0%
Funerals Made Simple Limited	New Zealand	100.0%	100.0%
FPT Pty Ltd	Australia	100.0%	100.0%
The Australian Funeral Properties Unit Trust	Australia	100.0%	100.0%
FPT (NZ) Pty Ltd	Australia	100.0%	100.0%
The New Zealand Funeral Properties Unit Trust	Australia	100.0%	100.0%
Wellington Funeral Directors Limited	New Zealand	100.0%	100.0%
Erceg McIntyre Pty Limited	Australia	100.0%	100.0%
FV (ACT) Pty Ltd	Australia	100.0%	100.0%
Norwood Park Pty Limited	Australia	100.0%	100.0%
PFP Corporate Services Pty Ltd	Australia	100.0%	100.0%
Newhaven Funerals (North Queensland) Pty Ltd	Australia	100.0%	100.0%
Manning Great Lakes Memorial Gardens Pty Ltd	Australia	100.0%	100.0%
Grahams Funeral Services Limited	New Zealand	100.0%	100.0%

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 29. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %
Morleys Funerals Pty Ltd	Australia	100.0%	100.0%
Coventry Funeral Homes Pty Ltd	Australia	100.0%	100.0%
Pet Cremations (Townsville) Pty Ltd	Australia	100.0%	100.0%
Waikanae Funeral Home Limited	New Zealand	100.0%	100.0%
Gregson & Weight Pty Ltd	Australia	100.0%	100.0%
Dils Funeral Services Limited	New Zealand	100.0%	100.0%
PFP (NZ) Properties Limited	New Zealand	100.0%	100.0%
Pet Heaven Services Pty Ltd	Australia	100.0%	100.0%
Pets RIP Pty Ltd	Australia	100.0%	100.0%
Cremation for Pets Pty Ltd	Australia	100.0%	100.0%
Charles Berry & Son Pty Ltd	Australia	100.0%	100.0%
State of Grace Limited	New Zealand	100.0%	100.0%
Glenelg Funerals Pty Ltd	Australia	100.0%	100.0%
Edinburgh Investments Pty Ltd	Australia	100.0%	100.0%
Eagars Funerals Limited	New Zealand	100.0%	100.0%
Carol & Terry Crawford Funerals Pty Ltd	Australia	100.0%	100.0%
Alfred James & Sons Pty Ltd	Australia	100.0%	100.0%
Sydney Farewells Pty Ltd	Australia	100.0%	100.0%
Walter Carter Funerals Pty Ltd	Australia	100.0%	100.0%
J Fraser & Sons Limited	New Zealand	100.0%	100.0%
Community Funerals Pty Ltd	Australia	100.0%	100.0%
Wangaratta Funerals Pty Ltd	Australia	100.0%	100.0%
Pets at Rest Limited	New Zealand	100.0%	100.0%
Seddon Park Funeral Home Limited	New Zealand	100.0%	100.0%
Harbour City Funeral Home Limited	New Zealand	100.0%	100.0%
Terry Longley & Son Limited	New Zealand	100.0%	100.0%
Tong & Peryer Limited	New Zealand	100.0%	100.0%
Penhall Funerals Pty Ltd	Australia	100.0%	100.0%
I C Mark Limited	New Zealand	100.0%	100.0%
Howard & Gannon Funerals Limited	New Zealand	100.0%	100.0%
Southern Funeral Home Limited	New Zealand	100.0%	100.0%
Gladstone Valley Funerals Pty Ltd	Australia	100.0%	100.0%
Decra Art Limited	New Zealand	100.0%	-
L Robertson Memorials Limited	New Zealand	100.0%	-
Twentymans Funeral Services Limited	Australia	100.0%	-
Richmond Funeral Home Limited	Australia	100.0%	-
Before Use (NZ) 19 Limited	New Zealand	100.0%	-
Before Use (NZ) 20 Limited	New Zealand	100.0%	-
Before Use (NZ) 21 Limited	New Zealand	100.0%	-

Note 30. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are immaterial to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %
Osbornes Funeral Directors	New Zealand	49.99%	49.99%

On 29 May 2024, the Group acquired a 49.99% shareholding in Osbornes Funeral Directors Limited. For the year ended 30 June 2025, the Group's share of (loss) from this joint venture was ($35,399) (2024: $8,809), and the carrying value of the investment was $437,000. There are no commitments or contingent liabilities in respect of this joint venture.

Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 31. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company listed below guarantees the debts of the others:

Propel Funeral Partners Limited
PFP Midco Pty Ltd
PFP Finance Pty Ltd
FV (NSW) Pty Ltd
FV (QLD) Pty Ltd
Meadow Funeral Group Pty Ltd

By entering into the deed, those wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' reports under ASIC Corporations (wholly-owned Companies) Instrument 2016/785 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by the Company, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	**2025 $'000**	**2024 $'000**
Revenue	12,547	11,579
Cost of sales and goods	(3,550)	(3,170)
Employee costs	(4,289)	(4,190)
Occupancy and facility expenses	(2,134)	(2,054)
Advertising expenses	(331)	(311)
Motor vehicle expenses	(182)	(189)
Other expenses	(1,114)	(1,320)
	947	345
Acquisition costs	-	(2)
Dividend / distribution received	20,597	18,157
Net gain on disposal of assets	3	65
Other income	11	29
Depreciation expense	(1,071)	(1,034)
Interest income	5,369	5,923
Interest expense	(82)	(78)
Net financing charge on contract assets and contract liabilities	33	34
Net foreign exchange losses	(49)	(88)
Profit before income tax expense	25,758	23,351
Income tax expense	(1,307)	(1,515)
Profit after income tax expense	24,451	21,836
Other comprehensive income		
Foreign currency translation	1,385	(770)
Other comprehensive income for the year, net of tax	1,385	(770)
Total comprehensive income for the year	25,836	21,066

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 31. Deed of cross guarantee (continued)

Equity - accumulated losses	2025 $'000	2024 $'000
Accumulated losses at the beginning of the financial year	(12,028)	(15,781)
Profit after income tax expense	24,451	21,836
Dividends paid	(20,142)	(18,083)
Accumulated losses at the end of the financial year	(7,719)	(12,028)

Statement of financial position	2025 $'000	2024 $'000
Current assets		
Cash and cash equivalents	1,385	742
Contract assets	1,962	2,037
Trade and other receivables	2,263	1,983
Inventories	236	219
Prepayments	79	79
Current tax assets	666	780
	6,591	5,840
Non-current assets		
Property, plant and equipment	2,375	2,804
Right-of-use assets	2,152	2,105
Goodwill	11,421	11,421
Deferred tax assets	964	1,203
Investment in subsidiaries and unit trusts	115,199	95,370
Other assets	239,874	253,679
	371,985	366,582
Total assets	378,576	372,422
Current liabilities		
Trade and other payables	650	473
Provisions	297	321
Lease liabilities	566	549
Contract liabilities	1,969	2,077
	3,482	3,420
Non-current liabilities		
Lease liabilities	1,682	1,641
Deferred tax liabilities	172	214
Provisions	107	116
	1,961	1,971
Total liabilities	5,443	5,391
Net assets	373,133	367,031
Equity		
Issued capital	380,844	380,436
Reserves	8	(1,377)
Accumulated losses	(7,719)	(12,028)
Total equity	373,133	367,031

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 32. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated 2025 $'000	Consolidated 2024 $'000
Profit after income tax expense for the year	20,399	17,812
Adjustments for:		
Depreciation and amortisation	15,740	14,286
Share-based payment expenses	164	-
Net gain on disposal of non-current assets	(88)	(197)
Foreign exchange differences	45	93
Loss on movement in discount rate of earn-out	304	216
Net financing charge on contract assets and liabilities	461	486
Acquisition costs	962	2,997
Non-cash income	(421)	(563)
Other expenses- interest capitalised	(548)	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	578	1,007
Increase in inventories	(579)	(170)
Decrease in deferred tax assets	1,250	512
(Increase)/decrease in prepayments	(25)	348
Increase in trade and other payables	1,686	541
Increase/(decrease) in provision for income tax	1,777	(892)
(Decrease) in deferred tax liabilities	(1,147)	(1,670)
(Decrease) in employee benefits	(567)	(310)
(Decrease) in other provisions	(3)	(128)
Net cash from operating activities	39,988	34,368

Note 33. Changes in liabilities arising from financing activities

Consolidated 2025	Opening balance	Cash flows	Non-cash movement	Additions	Additions through business combinations	Foreign exchange	Closing balance
Hire purchase liabilities	5	(5)	-	-	-	-	-
Senior Debt	113,153	27,900	-	-	-	-	141,053
Lease liabilities	32,517	(4,597)	1,000	1,083	1,205	137	31,345

Consolidated 2024	Opening balance	Cash flows	Non-cash movement	Additions	Additions through business combinations	Foreign exchange	Closing balance
Hire purchase liabilities	46	(41)	-	-	-	-	5
Senior Debt	140,573	(27,420)	-	-	-	-	113,153
Lease liabilities	33,979	(4,156)	(1,541)	760	3,554	(79)	32,517

Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 34. Earnings per share

	Consolidated	
	2025 $'000	2024 $'000
Profit after income tax attributable to the shareholders of Propel Funeral Partners Limited	20,399	17,812
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	137,958,171	125,744,150
Weighted average number of ordinary shares used in calculating diluted earnings per share	137,958,171	125,744,150
	Cents	**Cents**
Basic earnings per share	14.79	14.17
Diluted earnings per share	14.79	14.17

Note 35. Share-based payments

In the year ended 30 June 2025 (‘FY25’), the Company granted LTI awards to Fraser Henderson and Lilli Rayner in the form of performance rights over ordinary shares of the Company on a one-for-one basis. The performance rights are granted at no cost and no amount is payable upon vesting or exercise. The rights do not carry voting rights prior to exercise. For vested performance rights, participants are entitled to receive dividends declared and paid between the date of vesting and the date of exercise, which will be settled by way of additional Propel shares or, at the discretion of the Board, in cash.

The number of performance rights allocated to each participant is calculated by applying the maximum LTI opportunity percentage to the executive’s total fixed remuneration (‘TFR’), divided by the volume-weighted average price (‘VWAP’) of Propel shares for the three months ending on the last business day of the prior financial year. The rights are subject to a non-market performance condition based on Adjusted EPS compound annual growth rate (‘CAGR’) over the period 1 July 2024 to 30 June 2027 (in the case of the performance rights issued in respect of FY25).

As at 30 June 2025, no performance rights had vested or been exercised. The total equity-settled share-based payment expense recognised for the year was $164,000 (2024: $nil). This includes the expense recognised for Lilli Rayner’s granted award and for Fraser Henderson’s award (noting that Mr Henderson’s performance rights are subject to shareholder approval at the 2025 AGM).

Set out below are the performance rights granted/proposed:

2025

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
03/06/2025	31/08/2027	$0.00	-	149,453	-	-	149,453
			-	149,453	-	-	149,453

The fair value of performance rights granted during the year was $4.49 per right, determined based on the market price of Propel ordinary shares at the grant date. Fraser Henderson’s award is indicative only, as the grant remains subject to shareholder approval in 2025 AGM. Refer to section 5 of the 2025 Remuneration Report for further details.

Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 36. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2025 $'000	Parent 2024 $'000
Profit after income tax	20,510	18,184
Other comprehensive income for the year, net of tax	-	(1)
Total comprehensive income	20,510	18,183

Statement of financial position

	Parent 2025 $'000	Parent 2024 $'000
Total current assets	1,748	1,223
Total assets	587,193	538,337
Total current liabilities	708	791
Total liabilities	225,602	177,522
Net assets	361,591	360,815
Equity		
Issued capital	380,844	380,436
Reserves	11	11
Accumulated losses	(19,264)	(19,632)
Total equity	361,591	360,815

The parent entity is a party to a deed of cross guarantee as disclosed in note 31. In addition, it has entered into a tax and GST sharing agreement whereby it guarantees the income tax and GST debts of its subsidiaries. In the ordinary course of business, the parent entity has also guaranteed the performance of some of its subsidiaries.

Contingent liabilities
The parent entity had a $167,000 bank guarantee in relation to leased premises of one of its subsidiaries as at 30 June 2025 (2024: $167,000).

Capital commitments
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 (2024: $Nil).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity; and
- dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Notes to the consolidated financial statements
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Note 37. Events after the reporting period

On 26 August 2025, the directors declared a fully franked final dividend in connection with FY25 of 7.0 cents per ordinary share. Total dividends declared in connection with FY25 were 14.4 cents per share (FY24: 14.4 cents per share), fully franked, which represents approximately 93% of FY25 Distributable Earnings (NPAT adjusted for certain non-cash and non-operating items).

Apart from the events disclosed above, no other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group’s operations, the results of those operations or the Group’s state of affairs in future financial years.

Consolidated entity disclosure statement

for the year ended 30 June 2025

Entity name	Body corporate, partnership or trust	Country of incorporation	% of share capital held	Australian or foreign tax resident within the meaning of the ITAA 1997	Jurisdiction for foreign tax resident
Propel Funeral Partners Limited	Body corporate	Australia		Australian	N/A
PFP Finance Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
PFP Midco Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
FV (TAS) Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Millingtons Cemetery Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Millingtons Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Devonport Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Phillip Stephens Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
FV (QLD) Pty Limited	Body corporate	Australia	100.0%	Australian	N/A
South Burnett Funerals & Crematorium Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Gympie Funeral Services Pty Limited	Body corporate	Australia	100.0%	Australian	N/A
Leslie G Ross Funeral Services Pty Limited	Body corporate	Australia	100.0%	Australian	N/A
Premier Funeral Group Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Integrity Funeral Services Pty. Limited	Body corporate	Australia	100.0%	Australian	N/A
FV (NSW) Pty Limited	Body corporate	Australia	100.0%	Australian	N/A
Coonamble Funeral Services Pty Limited	Body corporate	Australia	100.0%	Australian	N/A
Riverina Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
WT Howard Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Tamworth & Gunnedah Funeral Services Pty. Ltd.	Body corporate	Australia	100.0%	Australian	N/A
Meadow Funeral Group Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
FV (VIC) Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Quinn Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Hall Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Handley Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Latrobe Valley Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
F.W. Barnes Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Mildura Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
FV (SA) Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Eyre Peninsula Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
FV (WA) Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
PFP (NZ) Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Far North Funeral Services Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Far North Memorial Gardens Limited	Body corporate	New Zealand	99.9%	Foreign	New Zealand
Davis Services Group Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Davis Funeral Services Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Morris & Morris Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Maunu Crematorium Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Funerals Made Simple Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
FPT Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
The Australian Funeral Properties Unit Trust	Trust*	Australia	N/A	Australian	N/A
FPT (NZ) Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
The New Zealand Funeral Properties Unit Trust	Trust*	Australia	N/A	Australian	N/A
Wellington Funeral Directors Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Erceg McIntyre Pty Limited	Body corporate	Australia	100.0%	Australian	N/A
FV (ACT) Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Norwood Park Pty Limited	Body corporate	Australia	100.0%	Australian	N/A
PFP Corporate Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Newhaven Funerals (North Queensland) Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A

Consolidated entity disclosure statement

for the year ended 30 June 2025

Entity name	Body corporate, partnership or trust	Country of incorporation	% of share capital held	Australian or foreign tax resident within the meaning of the ITAA 1997	Jurisdiction for foreign tax resident
Manning Great Lakes Memorial Gardens Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Grahams Funeral Services Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Morleys Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Coventry Funeral Homes Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Pet Cremations (Townsville) Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Waikanae Funeral Home Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Gregson & Weight Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Dils Funeral Services Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
PFP (NZ) Properties Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Pet Heaven Services Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Pets RIP Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Cremation for Pets Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Charles Berry & Son Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
State of Grace Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Glenelg Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Edinburgh Investments Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Eagars Funerals Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Carol & Terry Crawford Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Alfred James & Sons Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Sydney Farewells Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Walter Carter Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
J Fraser & Sons Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Community Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Wangaratta Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Pets at Rest Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Seddon Park Funeral Home Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Harbour City Funeral Home Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Terry Longley & Son Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Tong & Peryer Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Penhall Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
I C Mark Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Howard & Gannon Funerals Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Southern Funeral Home Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Gladstone Valley Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian	N/A
Decra Art Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
L Robertson Memorials Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Twentymans Funeral Services Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Richmond Funeral Home Limited.	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Before Use (NZ) 19 Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Before Use (NZ) 20 Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand
Before Use (NZ) 21 Limited	Body corporate	New Zealand	100.0%	Foreign	New Zealand

* The trusts are part of the Group's Australian tax consolidated group and the relevant trustees are Australian residents.

Directors' Declaration

In the directors' opinion:

- the attached consolidated financial statements and notes comply with the Corporations Act 2001 (Cth) ('Corporations Act'), the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached consolidated financial statements and notes comply with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the consolidated financial statements;

- the attached consolidated financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 31 to the consolidated financial statements.

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act.

On behalf of the directors

Brian Scullin
Chairman

Albin Kurti
Managing Director

26 August 2025

Independent Auditor's Report

Nexia Australia

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Independent Auditor's Report to the Members of Propel Funeral Partners Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Propel Funeral Partners Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

Nexia Australia

Key audit matter	How our audit addressed the key audit matter
Impairment testing of goodwill Refer to note 14. The Group has acquired numerous funeral service, cremation and cemetery businesses in Australia and New Zealand over the years. Goodwill has been recognised on acquisition and represents a material balance in the statement of financial position. It is a requirement of *AASB136 - Impairment of Assets* that goodwill is tested at least annually for impairment by management. We consider the carrying value of goodwill to be a key audit matter due to: • the size of the balance and the significance for users' understanding of the financial statements; • the level of subjectivity involved in determining whether goodwill balances are impaired; • the geographic spread of the Group's activities increasing the risk in determining the Group's CGU's and for Goodwill impairment purposes; and • the complexity of audit procedures required in challenging the assertions put forward by management.	Our procedures included, amongst others: • assessed management's determination of the Group's CGUs based on our understanding of the nature of the Group's business. We also analysed the internal reporting of the Group to assess how results were monitored and reported; • ensured the identification of cash flows attributable to each CGU and the assets supporting those cash flows are consistent, including allocation of corporate assets and cash flows to each of the CGUs; • compared the FY2026 forecasted cash flows used in the impairment model with the actual performance and forecasts for FY2025; • assessed the assumptions within the 5-year cash flow forecasts for each CGU by understanding the key factors and underlying drivers for growth, including inflation and industry trends, in the context of the Group's future plans; • assessed the discount rate used for each CGU by comparing it to our view of an acceptable range based on market data, comparable companies and industry research; • performed sensitivity analysis (cash flow growth rate, terminal growth rate, discount rate) for each CGU; and • assessed the appropriateness of the disclosures in the financial statements.
Business combinations and acquisition accounting Refer to note 28. The Group's recent acquisitions are required to be accounted for under *AASB 3 – Business Combinations*. There is a risk that the acquisitions of these entities have not been accounted for in accordance with AASB 3, which includes the determination of identifiable intangible assets. As part of the sale deed for business acquisitions, sometimes contingent consideration is attached to	Our procedures included, amongst others: • obtained information from management supporting the allocation of identifiable intangible assets and goodwill as set out in the Purchase Price Allocation prepared by management, including assessing the independence of external experts and the reasonableness of assumptions used; • assessed the treatment of transactions costs;

Independent Auditor's Report

Nexia Australia

Key audit matter	How our audit addressed the key audit matter
the purchase of these businesses. This contingent consideration requires significant estimation and rely on the existence of future events occurring. We consider the business combinations and accounting for acquisitions as a key audit matter due to: • the level of estimation involved in assessing the fair value of assets acquired in a business combination and the reliance on a management's expert in determining this valuation; • the risk that all assets and liabilities on acquisition are not identified and correctly recognised; and • the level of estimation involved in the calculation of contingent consideration provisions including the probabilities that targets will be achieved.	• tested that deferred tax liabilities arising from the transactions are accurately recognised; • assessed the provision for contingent consideration in line with the terms of the purchase agreements including a consideration of the discount rates used and the presentation of current and non—current liabilities; • assessed the underlying performance of the individual entity and management's assumptions at the balance date to ensure the probability of the contingent consideration targets being met is reasonable; and • assessed the appropriateness of the disclosures in the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the information in Propel Funeral Partners Limited's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the Directors determine is necessary to enable the preparation of:

i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

Independent Auditor's Report

Nexia Australia

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 38 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Propel Funeral Partners Limited for the year ended 30 June 2025, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia

Nexia Sydney Audit Pty Ltd

Mark Boyle
Director

Dated: 26 August 2025
Sydney

Shareholder Information

The shareholder information set out below was applicable as at 16 July 2025:

Number of Equity Security Holders

	Number
Shares on issue	137,973,594

Distribution of Equity Securities

Size of Holding	Number of Shareholders	Ordinary Shares	% of Issued Capital
100,001 and over	85	109,074,245	79.05
10,001 to 100,000	742	18,411,627	13.35
5,001 to 10,000	721	5,454,202	3.95
1,001 to 5,000	1,544	4,272,252	3.10
1 to 1,000	1,893	761,268	0.55
Total	4,985	137,973,594	100.00

Unmarketable Parcel

There were 264 shareholders with unmarketable parcels totalling 15,943 shares based on the closing market price as of 16 July 2025.

Twenty Largest Shareholders

On 16 July 2025, the 20 largest shareholders were as follows:

Shareholder	Number of Ordinary Shares	% of Issued Capital
Citicorp Nominees Pty Limited	23,066,170	16.72
J P Morgan Nominees Australia Pty Limited	19,979,947	14.48
DKH TI Pty Ltd	14,732,667	10.68
HSBC Custody Nominees (Australia) Limited	10,801,315	7.83
Washington H Soul Pattinson and Company Limited	5,368,456	3.89
BNP Paribas Nominees Pty Ltd	2,051,494	1.49
UBS Nominees Pty Ltd	2,023,176	1.47
Hart & Miley No. 1 Pty Ltd	1,767,098	1.28
Ruapehu Holdings Pty Limited	1,746,497	1.27
Nibla No 1 Pty Ltd	1,518,222	1.10
Netwealth Investments Limited	1,467,075	1.06
Mr Andrew Philip John Wade + Mrs Rosanna Wade	1,430,917	1.04
BNP Paribas Nominees Pty Ltd	1,156,743	0.84
Comann Investments Pty Ltd	1,137,817	0.82
Invia Custodian Pty Limited	1,045,000	0.76
Nibla No. 1 Pty Limited	909,309	0.66
Tomdachoille Pty Ltd	903,142	0.65
Stephen Dil + Heidi Dil + Prince & Partners Trustee Company Limited	800,833	0.58
Sandhurst Trustees Ltd	761,857	0.55
Henkay TI Pty Limited	726,226	0.53

Shareholder Information

Securities subject to Voluntary Escrow

The Company had the following restricted securities on issue as at 16 July 2025:

Class	Number of Shares	% of Issued Capital	Date that the escrow period ends
PFPESC0825	7,366,334	5.34	26 August 2025
PFPESC1125	64,240	0.04	31 October 2025
PFPESC0826	280,532	0.20	11 August 2026
PFPESC0926	58,685	0.04	31 August 2026
PFPESC0127	19,086	0.01	22 January 2027
PFPESC0327	44,971	0.03	4 March 2027
PFPESC0727	84,534	0.06	16 July 2027
PFPESC0328	15,245	0.01	31 March 2028

Substantial Holders

The share balances in the table below are extracted from substantial shareholder notices received by the Company on or prior to 16 July 2025:

Shareholder	Number of Fully Paid ordinary Shares	% of Issued Capital (as at date of notice)	Date of last notice
DKH TI Pty Ltd	14,732,667	12.86	27 October 2021
Norges Bank	7,017,339	5.09	11 April 2025

Voting rights

In accordance with the Company's constitution, each member present at a meeting, whether in person or by proxy, or any power of attorney or a duly authorised representative in the case of a corporate member, shall have one vote on a show of hands and one vote for each fully paid ordinary share on a poll.

Unquoted Equity Securities

Nil

On market buy-back

There is no current on market buy back in relation to the Company's securities.

Section 611(7) of the Corporations Act

There are no issues of securities approved for the purposes of Item 7 of section 611 of the Corporations Act which have yet to be completed.

On market purchase of securities

During the 12 months ended 30 June 2025, no securities were purchased on-market under or for the purpose of any employee incentive scheme, to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme or otherwise.

Corporate Directory

Propel Funeral Partners Limited

ACN 616 909 310

Registered Office
Level 18.03
135 King Street
Sydney NSW 2000

Phone: 02 8514 8600

Postal Address
Level 18.03
135 King Street
Sydney NSW 2000

Directors

Brian Scullin (Non-Executive Chairman)

Naomi Edwards (Non-Executive Director)

Jennifer Lang (Non-Executive Director)

Peter Dowding (Non-Executive Director)

Albin Kurti (Executive Director)

Fraser Henderson (Executive Director)

Company Secretary

Fraser Henderson

Share Registry Services

MUFG Corporate Markets
Locked Bag A14
Sydney South NSW 1235

Phone: 1300 554 474
Fax: 02 9287 0303

Auditor

Nexia Sydney Audit
1 Market Street
Sydney NSW 2000

Website

www.propelfuneralpartners.com.au

Corporate Governance Statement

The Corporate Governance Statement, as at 26 August 2025, has been approved by the Board and is available on the Company's website (http://investors.propelfuneralpartners.com.au/investorcentre/?page=corporate-governance).

Workplace Gender Equality Report

In accordance with the Workplace Gender Equality Act 2012, Propel lodged its latest Workplace Gender Equality Report in June 2025. The report is available on the Company's website.

PFP PROPEL FUNERAL PARTNERS