



Propel Funeral Partners Limited

ABN 41 616 909 310

**Appendix 4D – Half-year Report
For the Half-year ended 31 December 2025**

Lodged with the Australian Securities Exchange under Listing Rule 4.2A

Results for announcement to the market

This Appendix 4D is to be read in conjunction with the Interim Financial Report of Propel Funeral Partners Limited for the period ended 31 December 2025 and any public announcements made during the interim period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Propel Funeral Partners Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Propel Funeral Partners Limited
ABN:	41 616 909 310
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

2. Results for announcement to the market

					\$'000
Revenues from ordinary activities	up	3.1%	to		118,832
Operating net profit after tax ('Operating NPAT') (refer below)	up	1.2%	to		12,362
Profit from ordinary activities after tax attributable to the shareholders of Propel Funeral Partners Limited	up	6.2%	to		12,496
Profit for the half-year attributable to the shareholders of Propel Funeral Partners Limited	up	6.2%	to		12,496

Dividends

	Amount per security cents	Franked amount per security %
Final dividend - 2025 financial year	7.00	100%

Comments

The statutory profit for the Company (and its subsidiaries) ('Group') after providing for income tax, for the six months ended 31 December 2025 ('1H FY26'), amounted to \$12,496,000 (31 December 2024: \$11,768,000).

Operating NPAT is a financial measure which is not prescribed by the Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for certain non-operating items, such as acquisition costs and the net financing charge. The directors consider Operating NPAT to be one of the core earnings measures of the Group.

The following table summarises key reconciling items between statutory profit after tax attributable to the shareholders of the Company, and Operating NPAT:

	Consolidated	Consolidated
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Net profit after income tax	12,496	11,768
Add: Acquisition costs	771	498
(Less)/add: Net other income and expenses	(487)	210
(Less)/add: Net financing (income)/charge on pre-paid contracts	(221)	132
Add: Net foreign exchange losses	91	54
Add/(less): Net loss/(gain) on disposal of assets	625	(32)
Less: Tax effect of certain Operating NPAT adjustments	(913)	(414)
Operating NPAT	<u>12,362</u>	<u>12,216</u>

Refer to the Interim Financial Report and the Investor Presentation released to the market concurrently with this Appendix 4D Half-year Report for detailed explanation and commentary on the results.

3. Net tangible assets

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$000	\$000
Net assets	347,226	352,744
Less: Deferred tax assets	(5,731)	(6,821)
Add: Deferred tax liabilities	12,838	13,640
Less: Goodwill	(201,427)	(200,645)
	<u>152,906</u>	<u>158,918</u>
		Number of shares
	31 Dec 2025	31 Dec 2024
Number of ordinary shares on issue at period-end	137,973,594	137,958,349
	Reporting period cents	Previous period cents
Net tangible assets per ordinary security	<u>110.82</u>	<u>115.19</u>

4. Dividends

	Amount per security cents	Franked amount per security %	Total \$'000	Date of payment
Half-year ended 31 December 2025				
Final dividend - 2025 financial year	7.00	100%	9,658	2 October 2025
Half-year ended 31 December 2024				
Final dividend - 2024 financial year	7.20	100%	9,933	3 October 2024
Dividend not recognised at period end				
Interim dividend - 2026 financial year	7.50	100%	10,348	2 April 2026

5. Dividend reinvestment plans

Not applicable.

6. Acquisition or disposals of controlled entities, businesses or assets

During 1H FY26, the Group completed the following two acquisitions:

- Jones & Co Funeral Services and Broadway Funeral Home in November 2025; and
- Jacobsen Headstones in December 2025.

Refer to note 18 of the financial statements for further details.

7. Details of any associates and joint venture entities required to be disclosed

As at 31 December 2025, the Group held 49.99% of the shares in Osbornes Funeral Directors Limited, as a joint venture.

8. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

9. Attachments

Details of attachments (if any):

The Interim Financial Report of the Company for the half-year ended 31 December 2025 is attached.

10. Signed

On behalf of the directors



Naomi Edwards
Chair



Lilli Rayner
Co-CEO



Fraser Henderson
Co-CEO

24 February 2026



Propel Funeral Partners Limited

ABN 41 616 909 310

**Interim Financial Report
For the Half-year ended 31 December 2025**

Propel Funeral Partners Limited

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Propel Funeral Partners Limited
Directors' report
31 December 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 half-year ended 31 December 2025.

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

The Group 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 of long established providers of funeral services and pet loss services operating from 208 locations (126 owned and 82 leased) across 7 states and territories of Australia and in the North and South islands of 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 the Australian Accounting Standards ('AAS') and represents the result under AAS adjusted for certain non-operating items, such as acquisition costs and the net financing charge. 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 half-year and up to the date of this directors' report:

Naomi Edwards – Chair (appointed Chair on 13 November 2025)
Brian Scullin (retired as Chair on 13 November 2025)
Jennifer Lang
Fraser Henderson
Lilli Rayner (appointed on 1 September 2025)
Neil Little (appointed on 10 October 2025)
Albin Kurti (retired on 31 August 2025)
Peter Dowding (retired on 13 November 2025)

Principal activities

The principal activities of the Group during the financial half-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
Half-year ended 31 December 2025				
Final dividend - 2025 financial year	7.00	100%	9,658	2 October 2025
Half-year ended 31 December 2024				
Final dividend - 2024 financial year	7.20	100%	9,933	3 October 2024
Dividend not recognised at period end				
Interim dividend - 2026 financial year	7.50	100%	10,348	2 April 2026

The interim dividend declared in connection with the half year ended 31 December 2025 ('1H FY26') of 7.5 cents per share (prior corresponding period ('PCP' or '1H FY25'): 7.4 cents per share) represents approximately 83% of Distributable Earnings (NPAT adjusted for the non-cash net financing charge on pre-paid contracts, acquisition costs and one-off tax adjustments). The financial effect of the interim dividend declared after the reporting date is not reflected in the 31 December 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%.

Propel Funeral Partners Limited
Directors' report
31 December 2025

Significant changes in the state of affairs

During 1H FY26, the Group experienced the following significant changes in its state of affairs:

- effective from 1 September 2025, co-founders, Fraser Henderson and Lilli Rayner, were appointed Co-CEOs and Arash Noaeeen was appointed CFO, following the retirement of co-founder, Albin Kurti, effective 31 August 2025;
- completed the acquisitions of Jones & Co Funeral Services and Broadway Funeral Home (refer to note 18 for further details), funeral service providers operating in and around Tauranga and Matamata, New Zealand respectively;
- completed the acquisition of Jacobsen Headstones ('Jacobsen') (refer to note 18 for further details), a memorial and headstone manufacturer operating from Auckland, New Zealand; and
- acquired four freehold properties for aggregate consideration of approximately \$6,198,000 (excluding stamp duty).

Review of operations

This financial and operating overview summarises the results for 1H FY26, and results for the PCP, unless otherwise stated.

In 1H FY26, the Group reported:

- Revenue of \$118,832,000, an increase of 3.1% on the PCP;
- Operating EBITDA of \$30,285,000, an increase of 1.3% on the PCP; and
- Operating NPAT of \$12,362,000, an increase of 1.2% on the PCP.

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

	31 Dec 25	31 Dec 24
	Statutory	Statutory
	\$'000	\$'000
Total revenue	118,832	115,210
Gross profit	82,825	80,618
<i>...margin</i>	69.7%	70.0%
Operating EBITDA	30,285	29,899
<i>...margin</i>	25.5%	26.0%
Depreciation	(7,942)	(7,798)
Operating EBIT	22,343	22,101
<i>...margin</i>	18.8%	19.2%
Net other income and expenses	9	(33)
Net interest expense	(4,771)	(4,726)
Operating NPBT	17,581	17,342
Income tax expense	(5,219)	(5,126)
Operating NPAT	12,362	12,216
<i>Operating earnings per share (cps)¹</i>	<i>8.96</i>	<i>8.85</i>
Non-operating items:		
Acquisition costs	(771)	(498)
Net other income and expenses	(228)	(231)
Net financing charge on pre-paid contracts	221	(132)
Tax effect of adjustments	913	414
Net profit after tax	12,496	11,768

Note:

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

Propel Funeral Partners Limited
Directors' report
31 December 2025

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

	31 Dec 25 Statutory \$'000	31 Dec 24 Statutory \$'000
Funeral operations	104,496	101,102
Cemetery, crematoria and memorial gardens	12,311	12,442
Other trading revenue	2,025	1,666
Total revenue	118,832	115,210
Cost of sales	(36,007)	(34,592)
Gross profit	82,825	80,618
Employment costs	(39,407)	(37,995)
Occupancy and facility costs	(6,134)	(5,686)
Advertising costs	(2,387)	(2,329)
Motor vehicle costs	(1,633)	(1,581)
Other operating costs	(2,979)	(3,128)
Total operating costs	(52,540)	(50,719)
Operating EBITDA	30,285	29,899

Revenue

Revenue increased by 3.1% from \$115,210,000 in 1H FY25 to \$118,832,000 in 1H FY26, driven by:

- a 3.4% increase in revenue from funeral operations;
- a 21.6% increase in other trading revenue; partially offset by
- a 1.1% decrease in revenue from cemetery, crematoria and memorial gardens.

In 1H FY26, the Group performed 11,898 funerals:

- up 3.0% on the PCP; and
- in line with the PCP on a comparable basis (1H FY25: +1.0%).

In 1H FY26, Average Revenue Per Funeral¹ ('ARPF') was \$6,729, reflecting:

- impacts from foreign exchange translation² and recent acquisitions, which currently generate below Group Average Revenue Per Funeral; and
- comparable growth of ~2%³ on the PCP.

In 1H FY26, the Group generated 48% of its revenue from metropolitan areas, largely in line with 1H FY25 (49%).

Gross profit margin

The gross profit margin was 69.7% in 1H FY26 (1H FY25: 70.0%), reflecting the impacts of recent acquisitions and funeral mix towards the end of 1H FY26 partially offset by pricing.

Operating costs and Operating EBITDA

Operating costs increased by \$1,821,000 in 1H FY26 compared to the PCP, as a result of:

- the full and part period impact of acquisitions completed during and since FY25; and
- inflationary impacts.

Disciplined cost control has resulted in operating costs as a percentage of revenue being 44%, favourable to FY25 and in line with the PCP.

Operating EBITDA in 1H FY26 was \$30,285,000, 1.3% higher than the PCP.

Depreciation, interest and other income and expenses

Depreciation increased from \$7,798,000 in 1H FY25 to \$7,942,000 in 1H FY26, which related to business and property acquisitions completed during and since FY25.

Net interest expense (excluding AASB 16) was \$4,316,000, \$132,000 higher than the PCP (1H FY25: \$4,183,000), with higher drawn debt to fund acquisitions and property purchases, partially offset by a lower effective interest rate.

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 Verses the PCP.

³ NZD/AUD exchange rate constant with the PCP.

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Directors' report
31 December 2025

Acquisition costs totalled \$771,000 (1H FY25: \$498,000).

Net other income and expenses of \$228,000 largely related to non-operating income and expenditure, being net insurance recoveries, net gain/(loss) on disposal of assets, net foreign exchange gain and expenses primarily relating to the administration of the Group's pre-paid contracts.

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 1H FY26, pre-paid contracts that turned at need in Australia accounted for less than 10% of the Group's Australian funeral volumes, consistent with the PCP.

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 including goodwill as at 31 December 2025, no impairment was deemed necessary (1H FY25: Nil).

Income tax expense

In 1H FY26, income tax expense was \$4,306,000 (1H FY25: \$4,712,000). The adjusted effective tax rate was 29.6% (1H FY25: 29.7%).

Cash flow highlights

The cash flows for the Group are presented below:

	31 Dec 25	31 Dec 24
	Statutory	Statutory
	\$'000	\$'000
Receipts from customers (inc GST)	131,219	128,609
Payments to suppliers and employees (inc GST)	<u>(102,945)</u>	<u>(101,049)</u>
	28,274	27,560
Income taxes paid	(3,456)	(3,944)
Interest paid	(4,458)	(5,008)
Interest received	150	281
Net cash provided by operating activities	<u>20,510</u>	<u>18,890</u>
Payment for purchases of business, net of cash acquired	(2,966)	(7,986)
Net payments of property, plant and equipment	(16,055)	(16,359)
Other investing cash flows	(136)	(129)
Net cash used by investing activities	<u>(19,157)</u>	<u>(24,474)</u>
Net proceeds from borrowings	10,935	16,730
Dividends paid	(9,658)	(9,933)
Other financing cash flows	(2,387)	(2,306)
Net cash (used) provided by financing activities	<u>(1,110)</u>	<u>4,491</u>
Net increase (decrease) in cash during the year	243	(1,093)
Cash at the beginning of the year	9,046	7,250
Exchange rate effects	(201)	(14)
Cash at the end of the year	<u>9,088</u>	<u>6,143</u>

1H FY26 operating cash flows⁴ were 2.6% higher than the PCP, largely driven by contributions from acquisitions.

⁴ Ungeared, pre-tax operating cash flow.

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Cash flow conversion was 95.4% in 1H FY26, compared to 96.1% achieved in the PCP as shown in the table below:

	31 Dec 25	31 Dec 24
	\$'000	\$'000
Operating EBITDA	30,285	29,899
Net cash provided by operating activities	20,510	18,890
Add: Interest paid	4,458	5,008
Add: Income tax paid	3,456	3,944
Add: Executive incentive timing difference	617	1,183
Less: Interest received	(150)	(281)
Ungeared, tax free, operating cash flow (adjusted)	28,891	28,744
Cash flow conversion¹	95.4%	96.1%

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:

	31 Dec 25	31 Dec 24
	\$'000	\$'000
Maintenance	5,784	4,871
Growth	6,516	1,391
Total capital expenditure	12,299	6,262

In 1H FY26, maintenance capital expenditure amounted to 4.9% of revenue (1H FY25: 4.2%). In addition to the above, Propel acquired four freehold properties, for aggregate consideration of approximately \$6,198,000 (excluding stamp duty).

Capital management

As at 31 December 2025, the Group had drawn down \$151,923,000 of its \$275,000,000 senior debt facilities ('Senior Debt'), compared to \$141,053,000 as at 30 June 2025. The increase in drawn debt largely relates to funding the business and property acquisitions completed in 1H FY26. As at 31 December 2025, the Group reported cash and cash equivalents of \$9,088,000 and net debt⁵ of \$142,835,000 (30 June 2025: \$132,007,000).

Financial covenant ratios on the Senior Debt comprise a net leverage ratio which must be no greater than 5.0x⁶ and a fixed charge cover ratio which must be greater than 1.75x. Both ratios were comfortably satisfied as at 31 December 2025, being 2.3x (30 June 2025: 2.1x) and 3.9x (30 June 2025: 3.9x) respectively.

Subsequent to 31 December 2025, the Group refinanced its Senior Debt. Under the revised terms, the proforma net leverage ratio as at 31 December 2025 was 2.0x⁷. Refer below to 'events after the reporting period' for further details on the refinanced Senior Debt.

As at the date of this directors' report, the Group had a funding capacity of \$182,165,000⁸ (including the Accordion Facility) (30 June 2025: \$142,993,000).

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 aware of any environmental issues or claims which have had, or are likely to have, a material impact on the Group's business.

Sustainability Reporting

AASB S2 'Climate-related Disclosures' sets out disclosure requirements for climate-related risks and opportunities, their governance, strategy, risk management, metrics and targets. AASB S2 applies to entities required to prepare and lodge a financial report with ASIC under Chapter 2M and are effective for annual reporting periods beginning on or after 1 January 2025 and will be gradually phased in for different entities based on size thresholds:

- Group 1 entities (meets two of the following: consolidated revenue of at least \$500 million, consolidated gross assets of at least \$1 billion and at least 500 employees) are required to report in Dec 2025/June 2026.

⁵ Drawn Senior Debt less cash and cash equivalents.

⁶ 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.

⁷ Proforma net leverage ratio for covenant purposes under the refinanced arrangements dated 24 February 2026.

⁸ Undrawn debt and cash at bank of circa \$132 million as at 31 December 2025 plus the new \$50 million accordion facility announced on 24 February 2026, drawdown of which is subject to satisfaction of customary conditions precedent/approvals ('Accordion Facility').

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Directors' report
31 December 2025

- Group 2 entities (meets two of the following: consolidated revenue of at least \$200 million, consolidated gross assets of at least \$500 million and at least 250 employees) are required to report in Dec 2027/June 2027.
- Group 3 entities (meets two of the following: consolidated revenue of at least \$50 million, consolidated gross assets of at least \$25 million and at least 100 employees) are required to report in Dec 2028/June 2028.

Management considers Propel to be within Group 2 and therefore will report the disclosures in its 2027 annual report.

Events after the reporting period

Subsequent to 31 December 2025, the Group and its existing debt financier (Westpac Banking Corporation ('Financier')) agreed to:

- extend the maturity date of the Group's existing \$275 million Senior Debt to October 2029 (previously October 2027), with no changes to existing covenant limits;
- establish a new \$50 million Accordion Facility; and
- improved pricing, including a reduction in risk margin.

On 24 February 2026, the directors declared a fully franked dividend of 7.5 cents per ordinary share. The dividend will be paid on 2 April 2026. This equates to an estimated total distribution of \$10,348,000. The financial effect of the dividend declared after the reporting date is not reflected in the 31 December 2025 financial statements and will be recognised in the period to 30 June 2026.

Apart from the events disclosed above, no other matter or circumstance has arisen since 31 December 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.

Outlook

Propel is cycling a -3% contraction in comparable funeral volumes in the PCP, which included a material contraction in Australia in the three months ended 30 April 2025.

The Company expects to benefit from:

- favourable demographics in Australia and New Zealand;
- its strong funding position and improved pricing on senior debt facilities; and
- acquisitions completed to date and other potential future acquisitions in what remains a highly fragmented industry in both Australia and New Zealand (although timing is uncertain).

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 'round-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.

Propel Funeral Partners Limited
Directors' report
31 December 2025

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Naomi Edwards
Chair



Fraser Henderson
Co-CEO



Lilli Rayner
Co-CEO

24 February 2026

To the Board of Directors of Propel Funeral Partners Limited

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

As lead auditor for the review of the financial statements of Propel Funeral Partners Limited for the half-year ended 31 December 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 review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely,



Nexia Sydney Audit Pty Ltd



Mark Boyle

Director

Date: 24 February 2026

Sydney

Propel Funeral Partners Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

	Note	Consolidated	
		31 Dec 2025 \$'000	31 Dec 2024 \$'000
Revenue	4	118,832	115,210
Expenses			
Cost of sales and goods		(36,007)	(34,592)
Employee costs	5	(39,644)	(38,095)
Occupancy and facility expenses		(6,151)	(5,704)
Advertising expenses		(2,430)	(2,386)
Motor vehicle expenses		(1,641)	(1,589)
Other expenses		(3,047)	(3,187)
		29,912	29,657
Acquisition costs		(771)	(498)
Net (loss)/gain on disposal of assets		(625)	32
Other income		868	-
Depreciation expense	5	(7,942)	(7,798)
Interest income		209	257
Interest expense	5	(4,979)	(4,984)
Net financing income/(charge) on contract assets and contract liabilities	6	221	(132)
Net foreign exchange losses		(91)	(54)
Profit before income tax expense		16,802	16,480
Income tax expense		(4,306)	(4,712)
Profit after income tax expense for the half-year attributable to the shareholders of Propel Funeral Partners Limited		12,496	11,768
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(10,562)	(1,166)
Other comprehensive income for the half-year, net of tax		(10,562)	(1,166)
Total comprehensive income for the half-year attributable to the shareholders of Propel Funeral Partners Limited		<u>1,934</u>	<u>10,602</u>
		cents	cents
Basic earnings per share	19	9.06	8.53
Diluted earnings per share	19	9.06	8.53

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

Propel Funeral Partners Limited
Consolidated statement of financial position
As at 31 December 2025

	Note	Consolidated 31 Dec 2025 \$'000	30 Jun 2025 \$'000
Assets			
Current assets			
Cash and cash equivalents		9,088	9,046
Customer deposits		705	746
Contract assets	6	76,084	75,841
Trade and other receivables		9,445	9,548
Inventories		7,691	7,342
Prepayments		4,213	1,591
Total current assets		<u>107,226</u>	<u>104,114</u>
Non-current assets			
Investments accounted for using the equity method		415	437
Property, plant and equipment	7	315,442	312,148
Right-of-use assets	8	22,478	27,875
Goodwill	9	201,427	203,728
Deferred tax assets		5,731	6,529
Other assets		339	289
Total non-current assets		<u>545,832</u>	<u>551,006</u>
Total assets		<u>653,058</u>	<u>655,120</u>
Liabilities			
Current liabilities			
Trade and other payables	10	16,575	14,593
Borrowings	11	24,724	24,724
Income tax		1,100	861
Provisions	12	12,450	12,870
Lease liabilities		4,389	4,498
Contract liabilities	6	82,932	83,026
Total current liabilities		<u>142,170</u>	<u>140,572</u>
Non-current liabilities			
Borrowings	11	126,692	115,661
Lease liabilities		21,320	26,847
Deferred tax liabilities		12,838	13,321
Provisions	12	2,715	3,542
Other liabilities		97	108
Total non-current liabilities		<u>163,662</u>	<u>159,479</u>
Total liabilities		<u>305,832</u>	<u>300,051</u>
Net assets		<u>347,226</u>	<u>355,069</u>
Equity			
Issued capital	13	380,844	380,844
Reserves		(10,029)	652
Accumulated losses		(23,589)	(26,427)
Total equity		<u>347,226</u>	<u>355,069</u>

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

Propel Funeral Partners Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Issued capital \$'000	Foreign currency translation 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 half-year	-	-	11,768	11,768
Other comprehensive income for the half-year, net of tax	-	(1,166)	-	(1,166)
Total comprehensive income for the half-year	-	(1,166)	11,768	10,602
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	341	-	-	341
Dividends paid (note 14)	-	-	(9,933)	(9,933)
Balance at 31 December 2024	<u>380,777</u>	<u>(3,184)</u>	<u>(24,849)</u>	<u>352,744</u>

Consolidated	Issued capital \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2025	380,844	488	164	(26,427)	355,069
Profit after income tax expense for the half-year	-	-	-	12,496	12,496
Other comprehensive income for the half-year, net of tax	-	(10,562)	-	-	(10,562)
Total comprehensive income for the half-year	-	(10,562)	-	12,496	1,934
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	-	(119)	-	(119)
Dividends paid (note 14)	-	-	-	(9,658)	(9,658)
Balance at 31 December 2025	<u>380,844</u>	<u>(10,074)</u>	<u>45</u>	<u>(23,589)</u>	<u>347,226</u>

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

Propel Funeral Partners Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2025

	Note	Consolidated	31 Dec 2025	31 Dec 2024
			\$'000	\$'000
Cash flows from operating activities				
Receipts from customers (inclusive of GST)			131,219	128,609
Payments to suppliers and employees (inclusive of GST)			<u>(102,945)</u>	<u>(101,049)</u>
			28,274	27,560
Interest received			150	281
Interest and other finance costs paid - borrowings			(4,003)	(4,465)
Interest paid - lease liabilities (AASB 16)			(455)	(542)
Income taxes paid			<u>(3,456)</u>	<u>(3,944)</u>
Net cash from operating activities			<u>20,510</u>	<u>18,890</u>
Cash flows from investing activities				
Payment for purchase of business, net of cash acquired	18		(2,966)	(7,986)
Payments for property, plant and equipment			(18,734)	(16,507)
Proceeds from disposal of property, plant and equipment			2,679	148
Net cash outflow in contract assets and contract liabilities			<u>(136)</u>	<u>(129)</u>
Net cash used in investing activities			<u>(19,157)</u>	<u>(24,474)</u>
Cash flows from financing activities				
Proceeds from borrowings			13,570	24,250
Repayment of borrowings			(2,700)	(7,450)
Loans from/(to) other parties			65	(65)
Repayment of lease liabilities			(2,387)	(2,306)
Repayment of hire purchases			-	(5)
Dividends paid	14		<u>(9,658)</u>	<u>(9,933)</u>
Net cash (used in)/from financing activities			<u>(1,110)</u>	<u>4,491</u>
Net increase/(decrease) in cash and cash equivalents			243	(1,093)
Cash and cash equivalents at the beginning of the financial half-year			9,046	7,250
Effects of exchange rate changes on cash and cash equivalents			<u>(201)</u>	<u>(14)</u>
Cash and cash equivalents at the end of the financial half-year			<u><u>9,088</u></u>	<u><u>6,143</u></u>

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

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 1. General information

These general purpose financial statements ('financial statements') relate to Propel Funeral Partners Limited as the consolidated entity (referred to hereafter as the 'Group') 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 half-year ended 31 December 2025. 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, on 24 February 2026. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, the financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the prior financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations

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 during the financial half-year ended 31 December 2025 and are not expected to have a significant impact for the full financial year ending 30 June 2026.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. 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.

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.

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 31 Dec 2025	Australian operations \$'000	New Zealand operations \$'000	Total \$'000
Revenue			
Sales to external customers	85,812	32,478	118,290
Other revenue (excluding interest)	428	114	542
Total revenue	<u>86,240</u>	<u>32,592</u>	<u>118,832</u>
Operating EBITDA			
Acquisition costs	21,325	8,960	30,285
Net loss on disposal of assets	(714)	(57)	(771)
Net other income/(expenses) *	(268)	(357)	(625)
Depreciation and amortisation	645	(150)	495
Interest income **	(6,073)	(1,869)	(7,942)
Finance costs **	2,417	23	2,440
Net financing income/(charge) on contract assets and contract liabilities	(4,747)	(2,463)	(7,210)
Net foreign exchange losses	240	(19)	221
Profit before income tax expense	<u>12,734</u>	<u>4,068</u>	<u>16,802</u>
Income tax expense			(4,306)
Profit after income tax expense			<u>12,496</u>
Assets			
Segment assets	568,370	161,070	729,440
Intersegment eliminations			(76,382)
Total assets			<u>653,058</u>
Liabilities			
Segment liabilities	286,292	95,922	382,214
Intersegment eliminations			(76,382)
Total liabilities			<u>305,832</u>

* Includes \$662,000 management charge from the Australian operations to the New Zealand operations.

** Includes \$2,231,000 interest charged on intercompany loan from the Australian operations to the New Zealand operations.

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 3. Operating segments (continued)

Consolidated - 31 Dec 2024	Australian operations \$'000	New Zealand operations \$'000	Total \$'000
Revenue			
Sales to external customers	83,891	30,892	114,783
Other revenue (excluding interest)	309	118	427
Total revenue	<u>84,200</u>	<u>31,010</u>	<u>115,210</u>
Operating EBITDA			
Acquisition costs	21,256	8,643	29,899
Net gain on disposal of assets	(455)	(43)	(498)
Net other income/(expenses) *	27	5	32
Depreciation and amortisation	1,146	(1,388)	(242)
Interest income **	(6,072)	(1,726)	(7,798)
Finance costs **	2,802	38	2,840
Net financing charge on contract assets and contract liabilities	(4,680)	(2,887)	(7,567)
Net foreign exchange losses	(111)	(21)	(132)
Profit before income tax expense	<u>13,859</u>	<u>2,621</u>	<u>16,480</u>
Income tax expense			(4,712)
Profit after income tax expense			<u>11,768</u>

Consolidated - 30 Jun 2025

Assets			
Segment assets	569,087	168,217	737,304
Intersegment eliminations			(81,378)
Total assets			<u>655,926</u>
Liabilities			
Segment liabilities	198,989	183,246	382,235
Intersegment eliminations			(81,378)
Total liabilities			<u>300,857</u>

* Includes \$1,302,000 management charge from the Australian operations to the New Zealand operations.

** Includes \$2,583,000 interest charged on intercompany loan from the Australian operations to the New Zealand operations.

Geographical information

	Geographical non-current assets	
	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Australia	465,949	468,865
New Zealand	150,534	156,988
Intersegment eliminations	(76,382)	(81,378)
	<u>540,101</u>	<u>544,475</u>

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.

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 4. Revenue

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Revenue from contracts with customers	118,290	114,783
<i>Other revenue</i>		
Rent	542	427
Revenue	<u>118,832</u>	<u>115,210</u>

Disaggregation of revenue

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

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Funeral operations	104,496	101,102
Cemetery, crematoria and memorial gardens	12,311	12,442
Other trading revenue	1,483	1,239
	<u>118,290</u>	<u>114,783</u>

All revenue is recognised at a point in time. Refer to note 3 for information on geographical regions.

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 5. Expenses

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	1,763	1,666
Improvements	554	575
Plant and equipment	1,933	1,930
Motor vehicles	1,222	1,175
	<hr/>	<hr/>
Total depreciation - property, plant and equipment (note 7)	5,472	5,346
Building right-of-use assets	2,271	2,269
Plant and equipment right-of-use assets	193	176
Motor vehicles right-of-use assets	6	7
	<hr/>	<hr/>
Total depreciation - right-of-use assets (note 8)	2,470	2,452
Total depreciation expense	<hr/>	<hr/>
	7,942	7,798
<i>Interest expense</i>		
Interest and finance charges paid/payable on borrowings	4,524	4,441
Interest and finance charges paid/payable on lease liabilities (AASB 16)	455	543
	<hr/>	<hr/>
Total interest expense	4,979	4,984
<i>Employee costs</i>		
Employee costs and superannuation expense	37,628	36,147
Employee costs reclassified to other costs	(644)	(439)
Defined contribution superannuation expense	2,779	2,387
Share-based payments expense	(119)	-
	<hr/>	<hr/>
Total employee costs	39,644	38,095

Note 6. Contract assets and liabilities

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
<i>Contract assets</i>		
– pre-paid contracts	76,084	75,841
	<hr/> <hr/>	<hr/> <hr/>
<i>Contract liabilities</i>		
– pre-paid contracts	80,645	80,826
– monument works	2,287	2,200
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>
	82,932	83,026

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).

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 6. Contract assets and liabilities (continued)

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

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Profit or loss impact of undelivered contract assets and contract liabilities - pre-paid contracts		
Investment income on contract assets	1,268	908
Finance charge on contract liabilities	(1,047)	(1,040)
	<u>221</u>	<u>(132)</u>

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Movements in contract assets - pre-paid contracts		
Opening balance	75,841	77,166
Sales of new contract assets	2,663	4,700
Redemption of contract assets following service delivery	(3,640)	(7,650)
Exchange differences	(48)	11
Increase due to investments returns	1,268	1,614
	<u>76,084</u>	<u>75,841</u>
Closing balance		
Contract assets expected to be realised within one year	7,350	7,518
Contract assets expected to be realised after one year	68,734	68,323
	<u>76,084</u>	<u>75,841</u>
Total contract assets - pre-paid contracts		

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Movements in contract liabilities - pre-paid contracts		
Opening balance	80,826	82,156
Sales of new contract liabilities	2,663	4,700
Decrease following delivery of services	(3,841)	(8,116)
Exchange differences	(50)	11
Increase due to finance charge applied in accordance with AASB 15	1,047	2,075
	<u>80,645</u>	<u>80,826</u>
Closing balance		
Contract liabilities expected to be realised within one year	7,791	8,012
Contract liabilities expected to be realised after one year	72,854	72,814
	<u>80,645</u>	<u>80,826</u>
Total contract liabilities - pre-paid contracts		

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.

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 7. Property, plant and equipment

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
<i>Non-current assets</i>		
Land - at cost	122,920	124,938
Buildings - at cost	141,644	139,099
Less: Accumulated depreciation	(18,838)	(17,342)
	<u>122,806</u>	<u>121,757</u>
Improvements - at cost	20,079	19,529
Less: Accumulated depreciation	(4,456)	(4,364)
	<u>15,623</u>	<u>15,165</u>
Plant and equipment - at cost	42,956	43,432
Less: Accumulated depreciation	(18,939)	(19,327)
	<u>24,017</u>	<u>24,105</u>
Motor vehicles - at cost	28,110	28,466
Less: Accumulated depreciation	(11,257)	(11,594)
	<u>16,853</u>	<u>16,872</u>
Construction in progress - at cost	13,223	9,311
	<u>315,442</u>	<u>312,148</u>

Reconciliations

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

Consolidated	Land	Buildings	Improvements	Plant and	Motor	Construction	Total
	\$'000	\$'000	\$'000	equipment	vehicles	in progress	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2025	124,938	121,757	15,165	24,105	16,872	9,311	312,148
Additions	651	824	568	1,910	1,123	13,416	18,492
Additions through business combinations (note 18)	-	-	-	74	176	-	250
Disposals	(1,550)	(937)	(112)	(490)	(340)	-	(3,429)
Exchange differences	(3,303)	(1,995)	(364)	(298)	(386)	(201)	(6,547)
Transfers in/(out)	2,184	4,920	920	649	630	(9,303)	-
Depreciation expense (note 5)	-	(1,763)	(554)	(1,933)	(1,222)	-	(5,472)
Balance at 31 December 2025	<u>122,920</u>	<u>122,806</u>	<u>15,623</u>	<u>24,017</u>	<u>16,853</u>	<u>13,223</u>	<u>315,442</u>

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 8. Right-of-use assets

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
<i>Non-current assets</i>		
Land and buildings - right-of-use	39,172	45,384
Less: Accumulated depreciation	<u>(17,511)</u>	<u>(18,247)</u>
	21,661	27,137
Plant and equipment - right-of-use	1,540	1,460
Less: Accumulated depreciation	<u>(724)</u>	<u>(730)</u>
	816	730
Motor vehicles - right-of-use	40	43
Less: Accumulated depreciation	<u>(39)</u>	<u>(35)</u>
	1	8
	<u>22,478</u>	<u>27,875</u>

Reconciliations

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

Consolidated	Land and buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
Balance at 1 July 2025	27,137	730	8	27,875
Additions	1,255	305	-	1,560
Additions through business combinations (note 18)	841	4	-	845
Lease reassessment and rent increases	214	-	(1)	213
Early terminations	(5,103)	(5)	-	(5,108)
Exchange differences	(412)	(25)	-	(437)
Depreciation expense (note 5)	<u>(2,271)</u>	<u>(193)</u>	<u>(6)</u>	<u>(2,470)</u>
Balance at 31 December 2025	<u>21,661</u>	<u>816</u>	<u>1</u>	<u>22,478</u>

Note 9. Goodwill

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
<i>Non-current assets</i>		
Goodwill - at cost	<u>201,427</u>	<u>203,728</u>

Reconciliations

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

Consolidated	Goodwill \$'000
Balance at 1 July 2025	203,728
Additions through business combinations (note 18)	1,734
Adjustments for prior year business combinations	7
Exchange differences	<u>(4,042)</u>
Balance at 31 December 2025	<u>201,427</u>

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 10. Trade and other payables

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
<i>Current liabilities</i>		
Trade payables	6,632	5,158
Deposits	1,246	1,235
Accrued expenses	3,958	3,848
GST payable	1,056	1,460
Other payables	3,683	2,892
	<u>16,575</u>	<u>14,593</u>

Note 11. Borrowings

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
<i>Current liabilities</i>		
Bank Loans	<u>24,724</u>	<u>24,724</u>
<i>Non-current liabilities</i>		
Bank Loans	<u>126,692</u>	<u>115,661</u>
	<u>151,416</u>	<u>140,385</u>
Drawn senior debt	151,923	141,053
Less: loan establishment costs	<u>(507)</u>	<u>(668)</u>
Total Bank Loans	<u>151,416</u>	<u>140,385</u>

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 \$151,923,000 was drawn as at 31 December 2025 (30 June 2025: \$141,053,000). The net debt position (i.e. drawn Senior Debt less cash and cash equivalents of \$9,088,000) was \$142,835,000 as at 31 December 2025 (30 June 2025: \$132,007,000).

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.

Subsequent to 31 December 2025, Propel agreed new terms on its Senior Debt with its Financier. Refer to note 20 for further details.

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 11. Borrowings (continued)

Financing arrangements

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

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Total Senior Debt	275,000	275,000
Used at the reporting date	(151,923)	(141,053)
Unused at the reporting date	<u>123,077</u>	<u>133,947</u>

The financial covenant ratios applicable to the Senior Debt are tested biannually and calculated on a 12 month rolling basis and, as at 31 December 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 31 December 2025, being 2.3x (30 June 2025: 2.1x) and 3.9x (30 June 2025: 3.9x) respectively. The Group is 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 12. Provisions

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
<i>Current liabilities</i>		
Employee benefits	10,636	11,031
Contingent consideration (note 15)	1,760	1,773
Lease make good	54	66
	<u>12,450</u>	<u>12,870</u>
<i>Non-current liabilities</i>		
Employee benefits	531	640
Contingent consideration (note 15)	1,541	2,293
Lease make good	288	304
Perpetual maintenance care provision	355	305
	<u>2,715</u>	<u>3,542</u>
	<u>15,165</u>	<u>16,412</u>

Note 13. Issued capital

	Consolidated			
	31 Dec 2025	30 Jun 2025	31 Dec 2025	30 Jun 2025
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>137,973,594</u>	<u>137,973,594</u>	<u>380,844</u>	<u>380,844</u>

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.

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 13. Issued capital (continued)

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.

Note 14. Dividends

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Final dividend for the year ended 30 June 2025 of 7.0 cents (30 June 2024: 7.2 cents) per ordinary share	9,658	9,933

Interim dividend not recognised at period end

In addition to the above and since the reporting date, the directors declared a fully franked dividend of 7.5 cents per ordinary share on 24 February 2026. This dividend will be paid on 2 April 2026. This equates to an estimated total distribution of \$10,348,000. The financial effect of the dividend declared after the reporting date is not reflected in the 31 December 2025 financial statements and will be recognised in the period to 30 June 2026.

Franking credits

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	7,850	9,358

The above amounts represent the balance of the franking account as at the end of the financial half-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 15. 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

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 15. Fair value measurement (continued)

Consolidated - 31 Dec 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Liabilities</i>				
Current				
Contingent consideration	-	-	1,760	1,760
Non-current				
Contingent consideration	-	-	1,541	1,541
Total liabilities	-	-	3,301	3,301
<hr/>				
Consolidated - 30 Jun 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Liabilities</i>				
Current				
Contingent consideration	-	-	1,773	1,773
Non-current				
Contingent consideration	-	-	2,293	2,293
Total liabilities	-	-	4,066	4,066

There were no transfers between levels during the financial half-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. Generally, 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's incremental borrowing rate.

Level 3 assets and liabilities

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

Consolidated	Contingent consideration \$'000
Balance at 1 July 2025	4,066
Payments made (note 18)	(414)
Additions through business combinations (note 18)	319
Movement due to changes in discount rate	100
Foreign exchange differences	(255)
Amounts reversed	(515)
	<hr/>
Balance at 31 December 2025	3,301

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 \$100,000 (31 December 2024: \$172,000). A stress test of 150 basis points was conducted and found to have an immaterial impact.

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 16. Contingent liabilities

The Group had \$294,000 of bank guarantees as at 31 December 2025 (30 June 2025: \$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 2025: Nil).

Note 17. Commitments

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	4,540	8,705

Note 18. Business combinations

Jones & Co Funeral Services and Broadway Funeral Home

In November 2025, the Group acquired the business and assets associated with Jones & Co Funeral Services and Broadway Funeral Home which provides funeral and related services from five locations in and around Tauranga and Matamata, New Zealand.

Jacobsen

In December 2025, the Group acquired the business and assets associated with Jacobsen Headstones which provides a memorial and headstone services from Auckland, New Zealand.

Details of the purchase consideration, the net assets acquired and goodwill for the acquisitions referred to above are disclosed, in aggregate, below.

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 18. Business combinations (continued)

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

	Acquisitions Fair value \$'000
Assets:	
Inventories	376
Other current assets	27
Property, plant and equipment	250
Right-of-use assets	845
Deferred tax assets	15
Liabilities:	
Provisions	(54)
Lease make good provision	(13)
Lease liabilities	(832)
Deferred monument works	(162)
Other liabilities	(86)
Net assets acquired	366
Goodwill	1,734
Acquisition-date fair value of the total consideration transferred	<u>2,100</u>
Representing:	
Cash paid or payable to vendor	1,781
Contingent consideration (discounted)	319
	<u>2,100</u>
Cash used to acquire business, net of cash acquired per cash flow statement:	
Cash paid to vendor	1,781
Net cash used	<u>1,781</u>

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 (including stamp duty) expensed to profit and loss was \$771,000. The acquisition accounting was provisional as at 31 December 2025.

	Acquisitions 31 Dec 2025 \$'000
Payment for purchase of business, net of cash acquired per cash flow statement:	
Net cash used for the acquisitions	1,781
Acquisition costs	771
Contingent consideration payments (note 15)	414
Net cash used	<u>2,966</u>

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

	Acquisitions \$'000
Revenue generated from acquisition date to 31 December 2025	406
Net profit after tax from acquisition date to 31 December 2025	41

Propel Funeral Partners Limited
Notes to the consolidated financial statements
31 December 2025

Note 18. Business combinations (continued)

Due to the timing of completion of the acquisitions, if the acquisitions had completed on 1 July 2025, it is estimated that the Group's revenue and net profit after tax for the half-year would not have been materially different from the amounts reported.

Note 19. Earnings per share

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Profit after income tax attributable to the shareholders of Propel Funeral Partners Limited	<u>12,496</u>	<u>11,768</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>137,973,594</u>	<u>137,950,539</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>137,973,594</u>	<u>137,950,539</u>
	cents	cents
Basic earnings per share	9.06	8.53
Diluted earnings per share	9.06	8.53

Note 20. Events after the reporting period

Subsequent to 31 December 2025, the Group and the Financier agreed to:

- extend the maturity date of the Group's existing \$275 million Senior Debt to October 2029 (previously October 2027), with no changes to existing covenant limits;
- establish a new \$50 million accordion facility ('Accordion Facility')⁹; and
- improved pricing, including a reduction in risk margin.

On 24 February 2026, the directors declared a fully franked dividend of 7.5 cents per ordinary share. The dividend will be paid on 2 April 2026. This equates to an estimated total distribution of \$10,348,000. The financial effect of the dividend declared after the reporting date is not reflected in the 31 December 2025 financial statements and will be recognised in the period to 30 June 2026.

Apart from the events disclosed above, no other matter or circumstance has arisen since 31 December 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.

⁹ Drawdown of which is subject to satisfaction of customary conditions precedent/approvals.

Propel Funeral Partners Limited
Directors' declaration
31 December 2025

In the directors' opinion:

- the attached consolidated financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act.

On behalf of the directors



Naomi Edwards
Chair



Fraser Henderson
Co-CEO



Lilli Rayner
Co-CEO

24 February 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Propel Funeral Partners Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Propel Funeral Partners Limited (the Company and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, a summary of material accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001 including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of 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 annual 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 review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Nexia Sydney Audit Pty Ltd



Mark Boyle

Director

Dated: 24 February 2026

Sydney