PFP PROPEL FUNERAL PARTNERS

ANNUAL REPORT **2026**

Propel owns and operates funeral homes, cremation facilities, cemeteries and related infrastructure in **Australia** and **New Zealand**.

Contents

FY26 Snapshot

Revenue

$226.6m

▲ 0.3%

Funeral Volumes

22,854

▲ 1.1%

Operating EBITDA

$55.3m

▼ 1.6%

Operating NPAT

$20.7m

▼ 4.0%

Average Revenue Per Funeral[1]

$6,673

▲ ~2%[2] on a comparable basis

Dividend

14.4cps

FY25: 14.4cps

Cash Flow Conversion

100.7%

▼ 150 bps

Locations[3]

211

▲ 6

Funding Capacity[4]

$169m

Acquisitions[4]

$314m

Deployed since IPO

Gearing Ratio[3]

30.9%

Net Leverage Ratio[3]: 2.2x

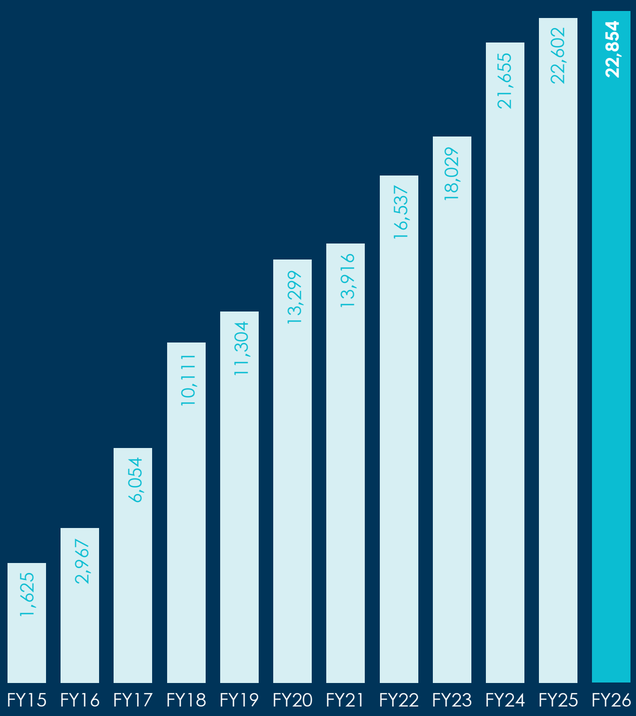
Expansion[3]

NZ

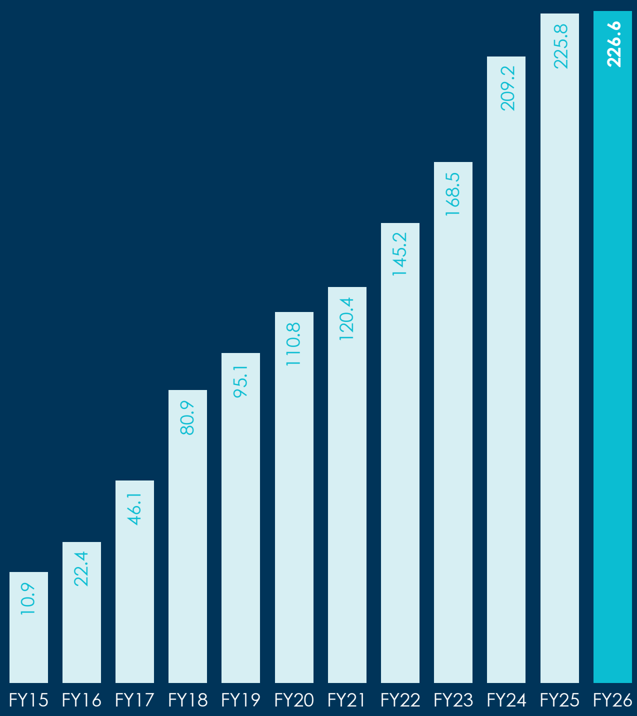
1. Means revenue from funeral operations, excluding direct disbursements (such as third party cemetery fees and third party cremation fees) and delivered pre-paid impacts, divided by the number of funerals in the relevant period.
2. NZD/AUD exchange rate constant with FY25.
3. As at 30 June 2026.
4. As at 25 August 2026.

Our Track Record

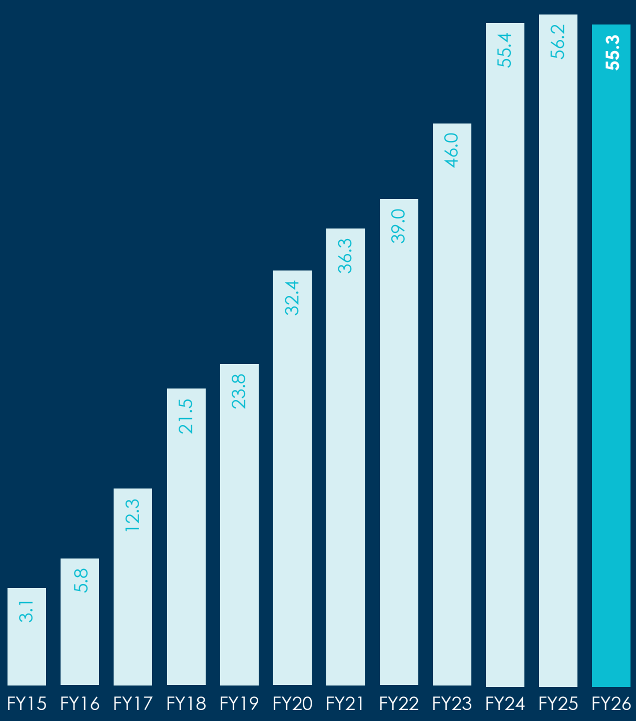
Funeral Volumes (#)



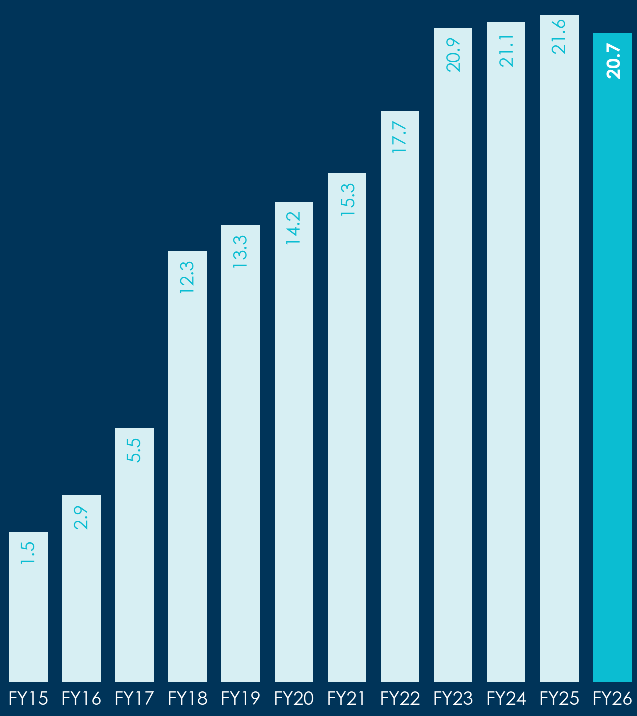
Revenue ($m)



Operating EBITDA ($m)



Operating NPAT ($m)



Letter from the Chair and Co-CEOs

Dear Fellow Shareholders,

On behalf of the Board, we are pleased to present the 2026 Annual Report of Propel Funeral Partners Limited ('Propel' or 'Company').

We would like to take this opportunity to acknowledge the many client families who have farewelled loved ones over the past 12 months and thank them for entrusting our businesses to support them at such an important time. We would also like to extend our sincere gratitude to our employees across Australia and New Zealand for their continued commitment to providing essential and caring funeral and related services to the communities we serve.

During the year, one of Propel's co-founders and former Managing Director, Albin Kurti, retired. On behalf of the Board, we thank Albin for his leadership and significant contribution to the Company throughout his tenure. The transition of two of Propel's co-founders to Co-CEOs has been seamless, with the Company's strong culture and operating principles maintained.

In FY26, Propel generated revenue of $226.6 million (FY25: $225.8 million), Operating EBITDA of $55.3 million (FY25: $56.2 million) and Operating NPAT of $20.7 million (FY25: $21.6 million).

The Board declared fully franked dividends totalling 14.4 cents per share in connection with FY26 (FY25: 14.4 cents). This includes a final dividend of 6.9 cents per share, fully franked, which will be paid on 1 October 2026 to shareholders on the register as at 2 September 2026.

As at 30 June 2026, the Company had total assets of $650 million, including $252 million of freehold properties, held at cost. Propel had a gearing ratio of 31% and a net leverage ratio of 2.2 times, compared with a covenant limit of 5.0 times. During FY26, the Company refinanced its senior debt facilities with Westpac Banking Corporation, extending the maturity of its $275 million facilities to October 2029, establishing a new $50 million Accordion Facility and improving its pricing. Propel remains in a strong funding position, with approximately $170 million of available funding capacity, including the Accordion Facility.

Since it was established, Propel has grown to become the second largest provider of death care services in Australia and New Zealand. In FY26, Propel performed approximately 23,000 funerals. Having completed five acquisitions in FY26 and since, the Company's network now comprises 213 locations across Australia and New Zealand, of which 130 are owned and 83 are leased, including 42 cremation facilities and nine cemeteries.

Propel remains focused on a clearly defined acquisition-led growth strategy, acquiring and operating businesses within the death care sector. Since listing on the ASX in 2017, the Company has deployed approximately $314 million on acquisitions. The highly fragmented nature of the industry continues to provide a significant opportunity for further consolidation.

The death care industry continues to evolve in response to changing client family preferences, increased digital engagement and the emergence of lower value, digitally led providers in certain markets. With this backdrop, Propel remains focused on delivering the value of meaningful funeral experiences through its trusted local brands, broadening its service and product offerings, strengthening its digital marketing and client engagement capabilities and continuing its operational discipline across its network. These initiatives position the Company to meet evolving client family expectations and support long-term value creation.

The Directors' Report provides further commentary on Propel's FY26 performance and outlook. As a provider of essential services, Propel remains committed to operating responsibly and sustainably and to integrating environmental, social and governance ('ESG') considerations into its operations, culture and decision-making processes. Further information on the Company's approach and progress is contained in this Annual Report.

Looking ahead, Propel is well positioned to benefit from increasing death volumes associated with population growth and the ageing of the baby boomer generation. The Company also expects to benefit from acquisitions completed to date and future acquisitions within a highly fragmented industry, together with the strength of its diversified network of market leading brands.

Supported by a strong financial position and experienced leadership team, Propel is focused on disciplined execution of its acquisition strategy, continued operational improvement and the delivery of sustainable long-term value for shareholders.

In closing, we thank shareholders for their ongoing support.

NAOMI EDWARDS
Chair

FRASER HENDERSON
Co-Founder and Co-CEO

LILLI RAYNER
Co-Founder and Co-CEO

Our Vision

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

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.

Our Strategy

An investment strategy focussed on:

- expanding into locations with favourable demographics 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

Propel's strategy is to acquire and operate assets within the death care industry in Australia and New Zealand.

Our ESG Journey

Every family will need the services of a funeral provider at some stage in their life, placing enormous trust in the people and organisations that care for them at one of their most vulnerable times. At Propel, we do not take this responsibility lightly. Dignity, respect and professionalism are fundamental to how we support client families and engage with our stakeholders.

As the only funeral home operator listed on the Australian Securities Exchange, Propel recognises the importance of strong governance, transparency and accountability. The listing brings an additional level of rigour that aligns with the trust placed in our businesses by client families, employees, shareholders, suppliers and the communities Propel serves.

As a leading provider of funeral and related essential services, Propel is committed to conducting its business responsibly, while creating long-term value for shareholders. During FY26, Propel continued to strengthen its governance framework, invest in employee wellbeing and capability, support local communities and progress initiatives aimed at reducing environmental impacts. 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 its dealings with client families, but it also applies to how Propel interacts with other external and internal stakeholders.

Governance

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

During FY26, Propel updated its Board and Committee Charters to recognise the governance and oversight responsibilities associated with the requirements of the Australian Sustainability Reporting Standard, AASB S2 Climate-related Disclosures. The updates formalise the oversight of climate-related risks, opportunities and disclosures, supporting alignment with evolving regulatory and governance expectations.

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. Propel's Code of Conduct, which is available on its website, has regard to the principles of respect, honesty, fairness, integrity, duty of care and compliance with the law.

Diversity and Inclusion

Propel's Diversity Policy reflects its commitment to equal opportunity and a workplace free from discrimination. Propel engages, promotes and trains its people on the basis of their capabilities, qualifications and experience, without discrimination. A copy of Propel's Diversity Policy is available on its website.

Gender Equality

Propel complies with the Workplace Gender Equality Agency ('WGEA') Reporting Scheme. In accordance with the Workplace Gender Equality Act 2012 (Cth) ('Act'), Propel is a "relevant employer" and as required by the Act, lodged a public report in May 2026, a copy of which is available on its website.

Propel is proud to disclose that in its FY25 WGEA report, the Company's:

- workforce comprised 51% female and 49% male;
- key gender pay gap metrics such as average total remuneration, median total remuneration, average base salary and median base salary, were all materially favourable to the national average;
- median total remuneration and median base salary gaps were within the WGEA target range; and
- Non-Executive Directors comprised 50% female and 50% male.

As a leading provider of funeral and related essential services, Propel is committed to conducting its business responsibly while creating long-term value for shareholders.

Supply Chain

Given Propel's annual revenue is more than $100 million, the Company is required to comply with the Modern Slavery Act 2018 (Cth) ('MSA'). As it is required to do under MSA, it lodged its Modern Slavery Statement on the public register, a copy of which is available on its website.

The Company estimates that more than 96% of the products it acquires, by value, were purchased from market leading specialist suppliers based in Australia and/or New Zealand. Accordingly, it believes it has less exposure to modern slavery than most other companies who are required to comply with the Act.

Notwithstanding, 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 Propel with goods valued at over $200,000 (ex GST) per annum is provided with an on-boarding questionnaire which is used to assess modern slavery risks.

Safety & Wellbeing

Propel is committed to providing a safe environment for its employees. During FY26, Propel completed the implementation 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.

As part of the Propel's long term commitment to a safe environment Propel partnered with CQUniversity to fund an Elevate Scholarship. The three-year scholarship will support a research project focused on employee wellbeing in the death care industry. The project will cover workforce resilience, fatigue management and psychosocial risks, with the aim of developing practical, evidence-based tools to enhance employee wellbeing and support sustainable work practices across the industry.

Propel also provides employees with access to an Employee Assistance Program and a range of wellbeing initiatives. Propel continued to promote its "Staying Well Together" intranet. Through this initiative, employees can access wellbeing content, online training, access counselling services and resources on managing psychosocial risk in the workplace. Propel has continued to expand wellbeing content through its intranet, including the launch of the "Family and Pets Are Us" page, where employees can share stories about how they stay "on top of their mountain".

Environmental Actions

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

- installing solar panels on more than 20 of its properties;
- participating in metal recycling by collecting metals post-cremation; and
- replacing or upgrading equipment/ machinery with more energy-efficient technologies, including cremators and fleet.

Supporting Families

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 price transparency requirements on relevant websites and at physical locations, where applicable.

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

Grief Support

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.

Community Support

Propel is committed to supporting initiatives that contribute to the wellbeing of the communities its businesses serve. Many of the Company's operating businesses also support charities, not for profit organisations and social causes in their respective local communities. Examples include:

- Twentymans Funeral Services in Thames, New Zealand, established The Place at the Table Trust in 2011, which provides a free Christmas Day lunch for people who may otherwise spend Christmas alone. Supported by approximately 45 volunteers including Twentymans' staff, the initiative now serves around 250 meals annually and reflects Twentymans' long-standing commitment to community connection and inclusion;
- Gympie Funerals in Queensland is a sponsor of the Heart of Gold International Short Film Festival, an annual community event that celebrates storytelling and connection, supporting cultural engagement and bringing communities together;
- Community Funerals in Queensland supports Dying to Know Day in Port Douglas by providing guest speakers and hosting community discussions, helping encourage open conversations about death, grief and end-of-life planning;
- F.W. Barnes & Son Funeral Directors in Victoria is a major sponsor of Babies Above Incorporated, a not-for-profit organisation that provides support, resources and community for individuals and families experiencing pregnancy and infant loss; and
- Millingtons Funeral Services in Tasmania has proudly supported Archie's 100, a uniquely Tasmanian initiative that raises vital funds for paediatric healthcare. Funds raised contribute to essential equipment, research and improved patient care, supporting better health outcomes for Tasmanian children and their families.

Industry Engagement

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

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

Board of Directors and Executives

Naomi Edwards
Chair

Naomi is the Chair of Propel and a member of its Audit and Risk Committee and its Remuneration and Nomination Committee. She 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 ('AICD') 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.

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 AICD.

Brian Scullin
Independent Non-Executive Director and Chair of the Remuneration & Nomination Committee

Brian is an Independent Non-Executive Director of Propel, the Chair of its Remuneration & Nomination Committee and a member of its Audit and Risk Committee. 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 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.

Jennifer Lang
Independent Non-Executive Director and Chair of the Audit & Risk Committee

Jennifer is an Independent Non-Executive Director of Propel, the Chair of its Audit & Risk Committee and a member of its Remuneration & Nomination Committee. Jennifer is an actuary and professional company director. She is currently an independent director on the Boards of a number of insurance companies – Pacific Life Reinsurance Australia, Auto & General Insurance Company, Medical Insurance Group Australia and Medical Assurance Society (NZ). Jennifer was a previous Director of Bicycle Network, the Institute of Actuaries of Australia and Deloitte Australia.

Prior to her Board career, Jennifer was previously the CFO and Chief Actuary of CommInsure and held a number of other senior executive positions in the insurance and professional services sector. 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 AICD.

Neil Little

Independent Non-Executive Director

Neil is an Independent Non-Executive Director of Propel and is a member of its Audit and Risk Committee and its Remuneration and Nomination Committee. He is a fourth generation funeral director, with more than 35 years' experience in the funeral industry and was previously the Managing Director of the Davis Funerals Group, which was the largest independent group of funeral homes in New Zealand prior to its sale to Propel in 2017.

He is a Qualified Embalmer and a Qualified Funeral Director.

Neil is a trustee of the Funeral Directors Association of New Zealand ('FDANZ') Prepaid Funeral Trust, a past President of the FDANZ and a Director of PFP NZ Limited (Propel's New Zealand holding company).

Lilli Rayner

Co-Founder and Co-CEO

Lilli co-founded the Company and is its Co-CEO. She commenced her career at Ernst & Young in corporate finance specialising in business valuations and dispute advisory. Lilli then joined Deutsche Asset Management (DB Capital Partners) in June 2006. She was a director of Bledisloe Holdings prior to its sale to InvoCare. She played an important role in the sale of Bledisloe Holdings to InvoCare in 2011 and the IPO of Propel. Lilli was Propel's Chief Financial Officer for 14 years, prior to becoming its Co-CEO in September 2025.

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.

Fraser Henderson

Co-Founder and Co-CEO

Fraser co-founded the Company and is its Co-CEO. 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 Propel Investments in 2008, where he became a director of a number of its investee companies. He co-led a number of transactions for Propel Investments and played an important role in the sale of Bledisloe Holdings to InvoCare in 2011 and the IPO of Propel. Fraser was Propel's Head of M&A, General Counsel and Company Secretary prior to becoming its Co-CEO in September 2025.

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 DipInvRel and completed the directors' course run by the AICD.

Arash Noaeen

Chief Financial Officer

Arash Noaeen is the Chief Financial Officer of Propel. He brings over 20 years of experience in senior finance roles across listed and private companies, with a strong track record in corporate finance, M&A and operational leadership. Before joining Propel in 2017, Arash held senior finance roles at several high-growth businesses across the financial services, media and infrastructure sectors. His career has spanned multiple geographic regions, including the United Kingdom, Europe and the USA, where he led strategic planning, financial transformation, and capital management initiatives. Arash was Propel's Group Financial Controller for 8 years, prior to becoming its Chief Financial Officer in September 2025.

Arash graduated from Macquarie University with a Bachelor of Commerce, majoring in accounting and finance. He is a chartered accountant who has completed the directors' course run by the AICD and is a member of the Finance, Risk and Audit Committee of Funerals Australia.

Financial Report

The Directors of Propel Funeral Partners Limited present the report, together with the consolidated financial report for the year ended 30 June 2026.

Directors' Report
for the year ended 30 June 2026

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 2026 ('FY26').

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 of long established providers of funeral and related services operating from 213 locations (130 owned and 83 leased) across 7 states and territories of Australia and in the North and South islands of New Zealand, including 42 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 results 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 year and up to the date of this directors' report:

Name	Position	Term as Director
Non-executive directors:		
Naomi Edwards	Non-executive director - Chair	Full year - Appointed Chair on 13 November 2025
Brian Scullin	Non-executive director	Full year - Retired as Chair on 13 November 2025
Jennifer Lang	Non-executive director	Full year
Neil Little	Non-executive director	Appointed on 10 October 2025
Peter Dowding	Non-executive director	Retired on 13 November 2025
Executive directors:		
Fraser Henderson[1]	Executive director – Co-CEO	Full year
Lilli Rayner[1]	Executive director – Co-CEO	Appointed director on 1 September 2025
Former executive directors:		
Albin Kurti	Managing director	Retired 31 August 2025

Notes:
1. *Effective 1 September 2025:*
   a. *Fraser Henderson was appointed as Co-CEO. Mr Henderson was formerly the Head of M&A, General Counsel & Company Secretary. Mr Henderson remains as Company Secretary and executive director; and*
   b. *Lilli Rayner was appointed as Co-CEO and an executive director. Ms Rayner was formerly the CFO.*

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.

Directors' Report

for the year ended 30 June 2026

Dividends

	Amount per security cents	Franked amount per security %	Total $'000	Date of payment
Year ended 30 June 2026				
Interim dividend – 2026 financial year	7.50	100%	10,348	2 April 2026
Final dividend – 2025 financial year	7.00	100%	9,658	2 October 2025
Total			**20,006**	
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**	
Dividend not recognised at year end				
Final dividend – 2026 financial year	6.90	100%	**9,520**	1 October 2026

On 25 August 2026, the directors declared a fully franked final dividend in connection with the year ended FY26 of 6.9 cents per share. Total dividends declared in connection with FY26 were 14.4 cents per share (FY25: 14.4 cents per share), fully franked which represents approximately 97% 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 final dividend declared after the reporting date is not reflected in the 30 June 2026 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 FY26, the Group experienced the following significant changes in its state of affairs:

- completed four acquisitions (refer to note 28 for further details), the consideration for which totalled $5,162,000 (excluding transaction costs and contingent consideration) as follows:
  - in November 2025, the Group acquired the businesses and assets associated with Jones & Co and Broadway Funeral Home ('Jones & Co'), funeral services providers operating in and around Tauranga and Matamata, New Zealand;
  - in December 2025, the Group acquired the business and assets associated with Jacobsen Headstones ('Jacobsen'), a memorial and headstone manufacturer operating from Auckland, New Zealand;
  - in May 2026, the Group acquired the business, assets and a freehold property associated with Collingwood Funeral Home ('Collingwood'), a funeral services provider operating in Rotorua, New Zealand; and
  - in June 2026, the Group acquired the business, assets and a freehold property associated with Leishman Funeral Services ('Leishman'), a funeral services provider operating in Balclutha, New Zealand;

- announced it had entered into binding conditional legal documentation to acquire the businesses and assets associated with Evans Funeral Services (including Gisborne Tairawhiti Cremation Services) ('Evans'), a funeral services provider and crematorium operating in and around Gisborne, New Zealand;

- acquired seven freehold properties (four of which were previously leased) for aggregate consideration of approximately $7,895,000 (excluding stamp duty);

- refinanced its existing debt facilities, extending the maturity date of its $275 million Senior Debt facility to October 2029 (previously October 2027), establishing a $50 million Accordion Facility[1], securing improved pricing including a reduction in risk margins, while maintaining existing covenant limits; and

- effective from 1 September 2025, co-founders, Fraser Henderson and Lilli Rayner, were appointed Co-CEOs and Arash Noaeen was appointed CFO, following the retirement of fellow co-founder, Albin Kurti, effective 31 August 2025.

There were no other significant changes in the state of affairs of the Group during FY26.

[1] Drawdown is subject to satisfaction of customary conditions precedent/approvals.

Directors' Report

for the year ended 30 June 2026

Financial and operating review

This financial and operating overview summarises the full year results for FY26, and results for the prior year ('FY25'), unless otherwise stated.

Financial Summary:

In FY26, the Group reported:

- Revenue of $226,621,000, an increase of 0.3% on the prior year;
- Operating EBITDA of $55,268,000, 1.6% below the prior year; and
- Operating NPAT of $20,731,000, 4.0% below the prior year.

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

	FY26 Statutory $'000	FY25 Statutory $'000
Total revenue	**226,621**	**225,833**
Gross profit	158,186	157,734
... margin	*69.8%*	*69.8%*
Total operating costs	(102,918)	(101,579)
Operating EBITDA	**55,268**	**56,155**
... margin	*24.4%*	*24.9%*
Depreciation	(16,077)	(15,740)
Operating EBIT	**39,191**	**40,415**
... margin	*17.3%*	*17.9%*
Net other income and expenses	22	(35)
Net interest expense	(9,798)	(9,661)
Operating NPBT	**29,415**	**30,719**
Income tax expense	(8,685)	(9,114)
Operating NPAT	**20,731**	**21,604**
Operating earnings per share (cps) [1]	*15.03*	*15.66*
Non-operating items:		
Acquisition costs	(1,318)	(962)
Net other income and expenses	(730)	(372)
Net financing charge on pre-paid contracts	(62)	(461)
Tax effect of adjustments	1,298	589
Net profit after tax	**19,919**	**20,399**

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:

	FY26 Statutory $'000	FY25 Statutory $'000
Funeral operations	198,436	197,997
Cemetery, crematoria and memorial gardens	24,031	24,201
Other trading revenue	4,155	3,635
Total revenue	**226,621**	**225,833**
Cost of sales	(68,436)	(68,099)
Gross profit	**158,186**	**157,734**
Employment costs	(76,467)	(75,661)
Occupancy and facility costs	(12,244)	(11,716)
Advertising costs	(4,699)	(4,531)
Motor vehicle costs	(3,430)	(3,236)
Other operating costs	(6,077)	(6,435)
Total operating costs	**(102,918)**	**(101,579)**
Operating EBITDA	**55,268**	**56,155**

Directors' Report

for the year ended 30 June 2026

Revenue
Revenue increased by 0.3% from $225,833,000 in FY25 to $226,621,000 in FY26, reflecting:
- a 0.2% increase in revenue from funeral operations;
- a 14.3% increase in other trading revenue; partially offset by
- a 0.7% decrease in revenue from cemetery, crematoria and memorial gardens.

In FY26, Propel's funeral volumes totalled 22,854, reflecting:
- growth on the prior year of 1.1%, including acquisitions; and
- a contraction in comparable funeral volumes of approximately 2%.

In FY26, Propel's Average Revenue Per Funeral[2] ('ARPF') was $6,673, reflecting:
- comparable growth of approximately 2%[3] on the prior year; offset by
- foreign exchange impacts[4];
- acquisitions made during and since FY25, which generated below Group Average Revenue Per Funeral; and
- funeral mix.

In FY26, the Group generated 47% of its revenue from metropolitan areas, compared to 48% in the prior year, primarily due to the impact of recent acquisitions.

Gross profit margin
The gross profit margin was 69.8%, in line with the prior year. The FY26 comparable gross margin was 69.9%, 10 basis points above the prior year.

Operating costs and Operating EBITDA
Operating costs increased by $1,339,000 on the prior year, as a result of:
- the full and part period impact of acquisitions completed during and since FY25;
- inflationary impacts; partially offset by
- foreign exchange impacts.

Disciplined cost control has resulted in comparable operating costs being 0.7% below FY25.

FY26 Operating EBITDA was $55,268,000, 1.6% below the prior year, primarily reflecting a contraction in comparable funeral volumes and foreign exchange impacts, partially mitigated by contributions from acquisitions, disciplined cost control and a stable gross margin.

Depreciation, interest and other income and expenses
Depreciation increased from $15,740,000 in FY25 to $16,077,000 in FY26, which primarily related to business and property acquisitions completed during FY25 and FY26.

Net interest expense (excluding AASB 16) was $8,942,000, $340,000 higher than the prior year (FY25: $8,602,000), driven by higher drawn debt to fund acquisitions and property purchases, partially offset by a lower effective interest rate.

Acquisition costs totalled $1,318,000 (FY25: $962,000).

Net other (income) and expenses of $730,000 largely related to net insurance recoveries, net loss on disposal of assets, release of contingent consideration, net foreign exchange losses 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 FY26, pre-paid contracts that turned at need accounted for less than 10% of Propel's funeral volumes (FY25: 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.

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[2] Revenue from funeral operations excluding disbursements and delivered pre-paid funeral impacts divided by the number of funerals performed in the relevant period.
[3] NZD/AUD exchange rate constant with the prior year.
[4] Verses the prior year.

Impairment
Following a review of the carrying value of assets, no impairment was deemed necessary in FY26 (FY25: Nil).

Income tax expense
In FY26, income tax expense was $7,387,000 (FY25: $8,526,000). The adjusted effective tax rate was 29.5% (FY25: 29.6%).

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

	FY26 Statutory $'000	FY25 Statutory $'000
Receipts from customers (inc GST)	251,069	250,473
Payments to suppliers and employees (inc GST)	(196,206)	(194,050)
	54,863	**56,423**
Income taxes paid	(6,712)	(6,627)
Interest paid	(10,474)	(10,290)
Interest received	328	482
Net cash provided by operating activities	**38,004**	**39,988**
Payment for purchase of business, net of cash acquired	(7,571)	(15,874)
Net payments for property, plant and equipment	(24,455)	(25,354)
Other investing cash flows	(125)	(64)
Net cash used by investing activities	**(32,151)**	**(41,292)**
Net proceeds from borrowings	22,724	27,830
Dividends paid	(20,006)	(20,142)
Other financing cash flows	(4,778)	(4,597)
Net cash provided by financing activities	**(2,060)**	**3,091**
Net increase/(decrease) in cash during the year	3,793	1,787
Cash at the beginning of the year	9,046	7,250
Exchange rate effects	(307)	9
Cash at the end of the year	**12,532**	**9,046**

Cash flow conversion was 100.7% in FY26, compared to 102.2% achieved in the prior year as shown in the table below:

	FY26 $'000	FY25 $'000
Operating EBITDA	**55,268**	**56,155**
Net cash provided by operating activities	38,004	39,988
Add: Interest paid	10,474	10,290
Add: Income tax paid	6,712	6,627
Add: Executive incentive timing difference	800	949
Less: Interest received	(328)	(482)
Ungeared, tax free, operating cash flow (adjusted)	**55,662**	**57,371**
Cash flow conversion[1]	**100.7%**	**102.2%**

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.*

Directors' Report

for the year ended 30 June 2026

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

	FY26 $'000	FY25 $'000
Maintenance	10,440	9,514
Growth	8,564	4,936
Total capital expenditure	**19,004**	**14,451**

In FY26, maintenance capital expenditure amounted to 4.6% of revenue (FY25: 4.2%), largely in line with depreciation on property, plant and equipment.

Capital management

As at 30 June 2026, the Group had drawn down $163,712,000 of its $325,000,000 senior debt facilities (including the $50m Accordion Facility), compared to $141,053,000 as at 30 June 2025. The increase in drawn debt largely relates to funding the FY26 business and property acquisitions. As at 30 June 2026, the Group reported cash and cash equivalents of $12,532,000 (FY25: $9,046,000) and net debt[5] of $151,180,000 (FY25: $132,007,000).

As at 30 June 2026, the Group's gearing ratio[6] was 30.9%. 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 2026, being 2.2x[7] (FY25: 2.1x) and 3.8x (FY25: 3.9x) respectively.

As at the date of this directors' report, the Group is well funded to continue its acquisition led growth strategy with approximately $169,105,000[8] of available funding capacity (including the $50m Accordion Facility).

Matters subsequent to the end of the financial year

On 25 August 2026, the directors declared a fully franked dividend of 6.9 cents per ordinary share. The dividend will be paid on 1 October 2026. This equates to an estimated total distribution of $9,520,000. The financial effect of the dividend declared after the reporting date is not reflected in the financial statements for FY26 and will be recognised in the next year.

Subsequent to year end, the Group completed the previously announced acquisition of Evans.

Apart from the events disclosed above, no other matter or circumstance has arisen since 30 June 2026 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.

Likely developments and expected results of operations

In terms of the outlook, 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 in both Australia and New Zealand (although timing is uncertain).

In the month of July 2026, Propel generated Revenue of ~$21,500,000[9], benefiting from:

- comparable Average Revenue Per Funeral growth exceeding 3%[10] (above the Company's long term compounded annual growth rate)
- resilient funerals volumes, despite a:
    - benign winter flu season[11] (lowest recorded in 5 years); and
    - material contraction in industry death volumes[12] (expected to be temporary given volumes fluctuate over short time horizons).

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5 Drawn senior debt less cash and cash equivalents.
6 Net debt of $151.2 million divided by net debt plus total equity of $337.5 million.
7 The net leverage ratio for covenant purposes includes adjustments – for example: (1) the Group's $40m working capital facility, previously $25m, is excluded from net debt; and (2) Operating EBITDA includes the annualised impact of acquisitions and is calculated on a pre AASB 16 basis.
8 Cash at bank and undrawn debt and the $50m Accordion Facility, as at 30 June 2026, less the cash required to fund the Evans acquisition (excluding transaction costs).
9 Including a $0.6 million unfavourable exchange impact in the month of July 2026 (versus the PCP).
10 NZD/AUD exchange rate constant with PCP.
11 Source Australian Government Department of Health – National Notifiable Disease Surveillance System.
12 Total deaths in QLD, NSW, VIC and TAS (which accounts for ~80% of all deaths in Australia) in the month of July 2026 versus the PCP (Source: Births, Deaths and Marriages).

Directors' Report
for the year ended 30 June 2026

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, including 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 is 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: consol revenue of at least $500 million, consol gross assets of at least $1 billion and at least 500 employees) are required to report in Dec 2025/June 2026;
- Group 2 entities (meets two of the following: consol rev of at least $200 million, consol gross assets of at least $500 million and at least 250 employees) are required to report in Dec 2027/June 2027; and
- Group 3 entities (meets two of the following: consol rev of at least $50 million, consol gross assets of at least $25 million and at least 100 employees) are required to report in Dec 2028/June 2028.

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

Material business risks
The Company maintains a risk management framework which includes a risk register, which is tabled 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 2026, the Group had a net leverage ratio of 2.2x and material debt covenant headroom. - As at the date of the directors' report, the Group has $169.1 million of available funding capacity, including the $50m Accordion Facility. - As an ASX listed entity, the Company can access equity markets from time to time, as demonstrated by the equity raisings completed in prior years.

Directors' Report

for the year ended 30 June 2026

Material business risks (continued)

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 $314 million[1] on acquisitions and continues to explore other potential acquisitions, however, the timing 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 2026, Propel has completed 62 acquisitions, thus experienced at identifying potential performance issues. - Management has a track record of actively monitoring post acquisition performance.
Inflation	- Increasing costs 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. - Client family/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 2026, the Group owned approximately 61% 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.

Note:

1. *Upfront cash and equity consideration paid. Excludes properties purchased subsequent to completion of the acquisitions and other properties purchased totalling in aggregate, $52.0 million (excluding stamp duty).*

Material business risks (continued)

Risk	Description	Risk Management Mitigation
Regulatory compliance	- Australian Competition and Consumer Act 2010 (Cth) and other related commonwealth and state legislation. - Environmental regulations risks. - Perpetual care.	- External advice received. - Culture of compliance.
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 2026:
		  - net leverage ratio of 2.2x; and
		  - material headroom to covenants.

Interest rates	- Higher interest rates may impact profitability.	- The Group may, from time to time, 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 in place for key management personnel.

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 its website. For FY26, 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

for the year ended 30 June 2026

Information on directors

Name:	Naomi Edwards (appointed Chair on 13 November 2025)
Title:	Independent Non-Executive Chair
Qualifications:	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 ('AICD').
Experience and expertise:	Naomi is the Chair of Propel and a member of its Audit and Risk Committee and its Remuneration and Nomination Committee. She 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 AICD 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 Board Member of the Remuneration and Nomination Committee Member of the Audit and Risk Committee
Interests in shares:	54,280 ordinary shares held directly

Name:	Brian Scullin (retired as Chair on 13 November 2025)
Title:	Independent Non-Executive Director
Qualifications:	Brian has a Bachelor of Economics from the Australian National University.
Experience and expertise:	Brian is an Independent Non-Executive Director of Propel, the Chair of its Remuneration & Nomination Committee and a member of its Audit & Risk Committee. 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 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.
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:	364,936 ordinary shares held indirectly

Name:	Jennifer Lang
Title:	Independent Non-Executive Director
Qualifications:	Jennifer has a Bachelor of Economics from Macquarie University, is a Fellow of the Actuaries Institute of Australia and a graduate member of the AICD.
Experience and expertise:	Jennifer is an Independent Non-Executive Director of Propel, the Chair of its Audit & Risk Committee and a member of its Remuneration & Nomination Committee. Jennifer is an actuary and professional company director. She is currently an independent director on the Boards of a number of insurance companies - Pacific Life Reinsurance Australia, Auto & General Insurance Company, Medical Insurance Group Australia and Medical Assurance Society (NZ). Jennifer was a previous Director of Bicycle Network, the Institute of Actuaries of Australia and Deloitte Australia. Prior to her Board career, Jennifer was previously the CFO and Chief Actuary of CommInsure and held a number of other senior executive positions in the insurance and professional services sector. 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:	Neil Little (appointed on 10 October 2025)
Title:	Independent Non-Executive Director
Qualifications:	He is a Qualified Embalmer and a Qualified Funeral Director.
Experience and expertise:	Neil is an Independent Non-Executive Director of Propel and is a member of its Audit and Risk Committee and its Remuneration and Nomination Committee. He is a fourth generation funeral director, with more than 35 years' experience in the funeral industry and was previously the Managing Director of the Davis Funerals Group, which was the largest independent group of funeral homes in New Zealand prior to its sale to Propel in 2017. Neil is a trustee of the Funeral Directors Association of New Zealand ('FDANZ') Prepaid Funeral Trust, a past President of the FDANZ and a Director of PFP NZ Limited (Propel's NZ holding company).
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:	578,282 ordinary shares held indirectly

Name:	Lilli Rayner (appointed on 1 September 2025)
Title:	Executive Director, Co-Founder and Co-CEO
Qualifications:	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.
Experience and expertise:	Lilli co-founded the Company and is its Co-CEO. She commenced her career at Ernst & Young in corporate finance, specialising in business valuations and dispute advisory. Lilli then joined Deutsche Asset Management (DB Capital Partners) in June 2006. She was a director of Bledisloe Holdings prior to its sale to InvoCare. She played an important role in the sale of Bledisloe Holdings to InvoCare in 2011 and the IPO of Propel. Lilli was the Propel's Chief Financial Officer for 14 years, prior to becoming its Co-CEO in September 2025.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	753,629 ordinary shares held directly
Interests in performance rights:	192,403 performance rights over ordinary shares

Directors’ Report

for the year ended 30 June 2026

Name:	Fraser Henderson
Title:	Executive Director, Co-Founder and Co-CEO
Qualifications:	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 DipInvRel and completed the directors’ course run by the AICD.
Experience and expertise:	Fraser co-founded the Company and is its Co-CEO. 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 Propel Investments in 2008, where he became a director of a number of its investee companies. He co-led a number of transactions for Propel Investments and played an important role in the sale of Bledisloe Holdings to InvoCare in 2011 and the IPO of Propel. Fraser was Propel’s Head of M&A, General Counsel and Company Secretary prior to becoming its Co-CEO in September 2025. Fraser continues to retain his role as Company Secretary.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Company Secretary
Interests in shares:	7,264,582 ordinary shares held directly and indirectly
Interests in performance rights:	206,643 performance rights over ordinary shares

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

'Former directorships (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 FY26, 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
Naomi Edwards	8	8	5	5	5	5
Brian Scullin	8	8	5	5	5	5
Jennifer Lang	8	8	5	5	5	5
Neil Little[2]	6	6	4	4	4	4
Peter Dowding[2]	2	2	1	1	1	1
Fraser Henderson	8	8	-	-	-	-
Lilli Rayner[2]	6	6	-	-	-	-
Albin Kurti[2]	2	2	-	-	-	-

Note:
1. Committees consist entirely of the independent non-executive directors.
2. Lilli Rayner was appointed as a director on 1 September 2025 and Neil Little was appointed as a director on 10 October 2025. Albin Kurti retired as a director on 31 August 2025 and Peter Dowding retired as a director on 13 November 2025. The number of meetings shown as ‘held’ and ‘attended’ reflects the meetings held during each director’s tenure as a member of the Board or Committee in FY26.

Directors' Report

for the year ended 30 June 2026

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 2026 ('FY26'), 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. Non-executive directors' remuneration
3. Executive remuneration
4. Statutory remuneration disclosures
5. 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:		
Naomi Edwards	Non-executive director - Chair	Full year - Appointed Chair on 13 November 2025
Brian Scullin	Non-executive director	Full year - Retired as Chair on 13 November 2025
Jennifer Lang	Non-executive director	Full year
Neil Little	Non-executive director	Appointed on 10 October 2025
Peter Dowding	Non-executive director	Retired on 13 November 2025
Executive KMP:		
Fraser Henderson[1]	Executive director – Co-CEO	Full year
Lilli Rayner[1]	Executive director – Co-CEO	Full year
Arash Noaeen[1]	Chief Financial Officer (**CFO**)	Appointed 1 September 2025
Former Executive KMP:		
Albin Kurti	Managing director	Retired 31 August 2025

Notes:
1. *Effective 1 September 2025:*
   a. *Fraser Henderson was appointed as Co-CEO. Mr Henderson was formerly the Head of M&A, General Counsel & Company Secretary. Mr Henderson remains as Company Secretary and executive director.*
   b. *Lilli Rayner was appointed as Co-CEO and an executive director. Ms Rayner was formerly the CFO; and*
   c. *Arash Noaeen was appointed as CFO. Mr Noaeen was formerly Group Financial Controller.*

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.

Use of remuneration consultants
The Company did not engage a remuneration consultant during the financial year but did conduct a market benchmarking exercise of similar (by market capitalisation) listed companies in Australia.

Voting and comments made at the Company's 2025 Annual General Meeting ('AGM')
At the 2025 AGM, 98.95% of the votes received, supported the adoption of the remuneration report for the year ended 30 June 2025. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

2. 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 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 FY26.

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 FY26 was $467,621 (FY25: $435,000) as set out in section 4 below.

3. 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 FY26 had three components:

Remuneration Framework	Purpose	Alignment	Instrument
Total Fixed Remuneration ('TFR')	Attract and retain Propel's executive KMPs	Benchmarked with listed companies of comparable market capitalisation	Base salary, superannuation and non-monetary benefits (if applicable)
Eligible to participate in an 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[1] being met, 100% in cash otherwise 50% in cash and 50% deferred by one year in cash or shares (with the form of payment at the election of the Board)
Eligible to participate in an LTI plan	Rewards performance that creates long term shareholder value	Earnings per share measured over a three year performance period	Performance rights

Note:
1. *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, 50% will be deferred (i.e. on or before 31 August in the following year) by one year and, at the election of the board will be paid in cash or Propel shares, assuming the executive KMP's employment had not been terminated for cause in the meantime.*

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 current TFR for the executive KMP is set out below:

	TFR ($) 2026	TFR ($) 2025
Executive KMP[1]		
Fraser Henderson	824,000	680,000
Lilli Rayner	824,000	580,000
Arash Noaeen	412,000	-
Former Executive KMP		
Albin Kurti	-	950,000
	2,060,000	2,210,000

Note:
1. *The current Executive KMP were appointed to their roles on 1 September 2025. The TFR has been disclosed on an annualised basis.*

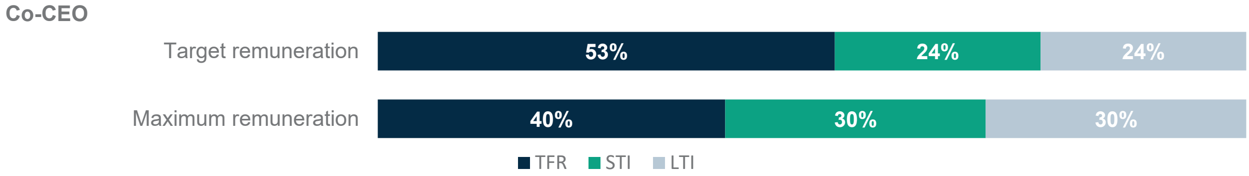
STI Plan	
Purpose	STI is awarded for achievement of annual financial and non-financial performance conditions.
Participants	Executive KMP.
Percentage of TFR	Maximum STI opportunity as a percentage of TFR is 75% for the Co-CEOs and 50% for the CFO.
Target STI	60% of the maximum.
Performance period	1 July 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] versus 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 position. Details, by role, of the executive KMP's strategic/personal metrics, weighting and outcome for FY26 are 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 outcome.
Instrument/Payment	100% in cash unless the executive KMP does not meet the Shareholding Hurdle.

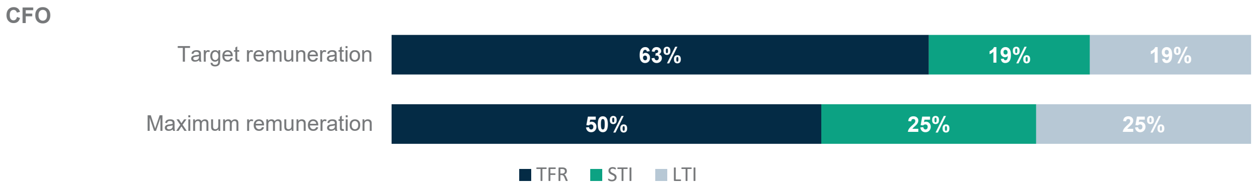
Note:
1. *Operating EBITDA means the Group's operating earnings before interest, tax, depreciation, amortisation, accruals relating to the executives' STIs and LTIs and certain non-operating items, as determined by the Board.*

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 the Co-CEOs and 50% for the CFO.
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 FY26 relates to the period from 1 July 2025 to 30 June 2028.
Performance conditions	100% financial performance condition currently being Adjusted EPS[1] CAGR over a three year period, adopting the financial performance scale below. The Board is currently of the view that an EPS metric best aligns executive performance outcomes with shareholder value. The Board reviews the LTI plan (and the performance conditions) from time to time.
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	The executive KMP will be granted performance rights over Propel's 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 in cash, at the election of the Board. 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[3] of Propel Shares for the three months ending on the last business day of the prior financial year. The LTI previously granted to Ms Rayner and Mr Henderson in FY24, if achieved, was to be paid in cash on or around 31 August 2026, in accordance with the relevant executive service agreements. It should be noted that the performance conditions for the FY24 grant were not met as at 30 June 2026 and, therefore, no LTI is payable to Ms Rayner or Mr Henderson in connection with the FY24 grant. Refer below for further details.
Change of control	On the date immediately prior (or earlier if determined by the Company, acting reasonably), 100% of the performance rights granted to the executives will vest and 100% of the relevant TFR will be payable.

Notes:
1. *Adjusted EPS means the Group's Operating NPAT divided by the weighted average number of shares on issue in the Company.*
2. *Operating NPAT means the Group's net profit after tax, adjusted for certain non-operating items, as determined by the Board.*
3. *VWAP means volume weighted average price.*

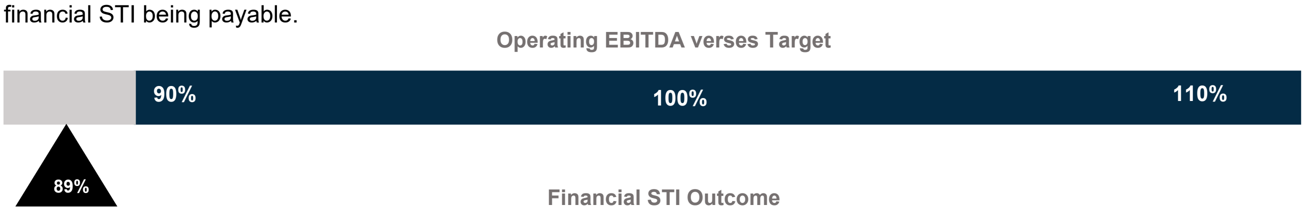
The target and maximum remuneration mix for each executive KMP position for FY26 is illustrated below:

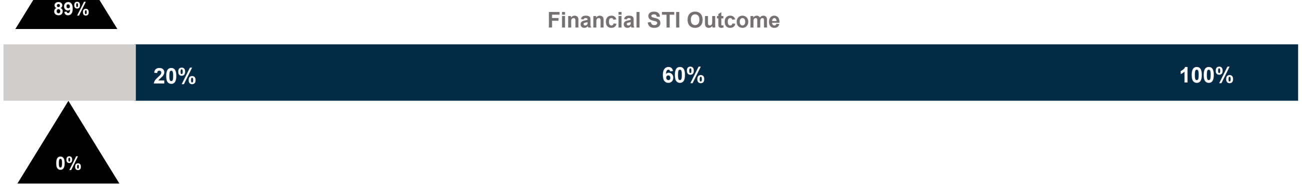




Group's performance and link to remuneration
As set out above, a significant element of the STI and LTI to which the executive KMPs are eligible are dependent on annual and long term financial measures.

Financial STI awarded and forfeited during the financial year
In respect of FY26, the actual Operating EBITDA was approximately 89% of the target Operating EBITDA, resulting in no financial STI being payable.





Non-financial STI awarded and forfeited during the financial year
The tables below set out the balanced scorecards, including the outcome for each strategic/personal metric for each executive KMP role.

Balanced scorecard – Head of M&A, General Counsel & Company Secretary, Fraser Henderson: 1 July – 31 August 2025 (2 months)

Strategic/ Personal Metric	Key Performance Indicator	Weighting (%)	FY26 Outcome
M&A Activity	Acquisition pipeline progression	50	Achieved
M&A Activity	Capital committed (two-year average)	50	Not Achieved
Total		**100**	**50**

Balanced scorecard – CFO, Lilli Rayner: 1 July – 31 August 2025 (2 months)

Strategic/ Personal Metric	Key Performance Indicator	Weighting (%)	FY26 Outcome
Cash Generation	Cash flow conversion	25	Achieved
Capex	Maintenance capex as a percentage of revenue	25	Achieved
M&A Activity	Capital committed (two-year average)	25	Not Achieved
People	Finance employee voluntary turnover	25	Achieved
Total		**100**	**75**

Balanced scorecard – Co-CEOs, Lilli Rayner and Fraser Henderson: 1 September – 30 June 2026 (10 months)

Strategic/ Personal Metric	Key Performance Indicator	Weighting (%)	FY26 Outcome
People	Employee voluntary turnover	10	Achieved
Safety	Workplace Health & Safety Program (AU): implement	5	Achieved
Safety	Workplace Health & Safety Program (NZ): roll out	5	Achieved
Market Share	Growth in market share over the prior calendar year	10	Achieved
M&A Activity	Capital committed (12 months)	10	Not Achieved
M&A Activity	Acquisition pipeline progression	10	Achieved
Stakeholder Feedback	Positive stakeholder feedback	15	Achieved
Leadership Transition	Maintained strong engagement through CEO transition	15	Achieved
Capital Planning	Dividend expectation met	5	Achieved
Capital Planning	Strong balance sheet and capital position	5	Achieved
Customer / Client Family Feedback	Percentage of client family complaints	10	Achieved
Total		**100**	**90**

Balanced scorecard – CFO Arash Noaeen: 1 September – 30 June 2026 (10 months)

Strategic/ Personal Metric	Key Performance Indicator	Weighting (%)	FY26 Outcome
Cash Generation	Cash flow conversion	20	Achieved
Capex	Maintenance capex as a percentage of revenue	20	Achieved
M&A Activity	Capital committed (12 months)	10	Not Achieved
M&A Activity	Acquisition pipeline	10	Achieved
People	Finance employee voluntary turnover	20	Achieved
Leadership Transition	Maintained strong engagement through leadership transition	10	Achieved
Capital Planning	Dividend expectation met	5	Achieved
Capital Planning	Strong balance sheet and capital position	5	Achieved
Total		**100**	**90**

A summary of the STI (financial and non-financial) outcomes payable to the executive KMPs is 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 %
Fraser Henderson[1]	2026	579,203	198,241	34%	66%
	2025	374,000	211,400	57%	43%
Lilli Rayner[1]	2026	569,762	201,829	35%	65%
	2025	319,000	180,311	57%	43%
Arash Noaeen[2]	2026	171,667	61,800	36%	64%
	2025	-	-	-	-

Notes:

1. *The STI for Fraser Henderson and Lilli Rayner are for the 12 month period ending 30 June 2026 and have been pro-rated to reflect 10 months as Co-CEOs and 2 months as Head of M&A and General Counsel and CFO respectively.*
2. *The STI for Arash Noaeen was pro-rated from his commencement date as CFO of 1 September 2025. Mr Noaeen did not meet the Shareholding Hurdle as at 30 June 2026 and therefore 50% of the STI awarded is payable on or around 31 August 2026 and the remaining 50% is deferred for one year. 100% will be paid in cash.*

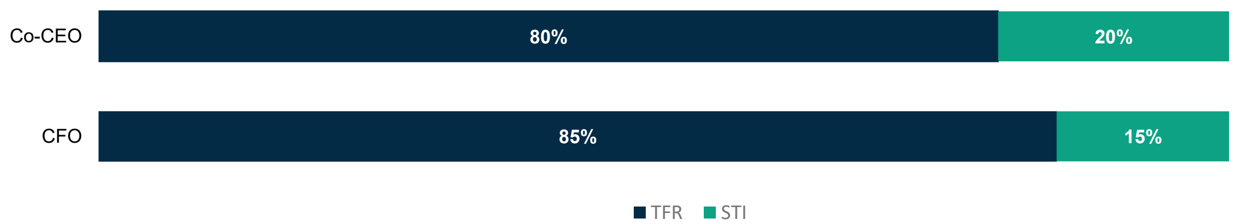
LTI awarded during the financial year
In respect of the FY24 LTI granted to Ms Rayner and Mr Henderson, as the Adjusted EPS CAGR for the three years ended 30 June 2026 was -5.3%, below the lowest financial performance scale of 6%, no LTI was payable to Ms Rayner and Mr Henderson in connection with the FY24 LTI grant.

Summary of executive KMP remuneration – actual pre-tax awarded
The table below provides details of the cash benefits awarded to the executive KMP in FY26 and FY25. This is a voluntary disclosure to provide shareholders with increased transparency in relation to executive KMP remuneration. Actual pay below represents the pre-tax, amounts for each executive KMP in connection with both years.

		Short-term benefits		Post-employment benefits	Long-term benefits	
		Salary	Cash bonus	Superannuation	LTI	Total
		$	$	$	$	$
Executive KMP[1]:	**Year**	2	3	2,4	4,5	
Fraser Henderson	2026	773,400	198,241	30,000	-	1,001,641
	2025	649,792	211,400	30,208	-	891,400
Lilli Rayner	2026	756,233	201,829	30,000	-	988,062
	2025	550,000	180,311	30,000	-	760,311
Arash Noaeen	2026	323,844	61,800	19,489	-	405,133
	2025	-	-	-	-	-
Total	**2026**	**1,853,477**	**461,870**	**79,489**	**-**	**2,394,836**
	2025	**1,199,792**	**391,711**	**60,208**	**-**	**1,651,711**

Notes:
1. *The remuneration for Fraser Henderson and Lilli Rayner is for the 12 month period ended 30 June 2026 and has been pro-rated to reflect 10 months as Co-CEOs and 2 months as Head of M&A and General Counsel and CFO respectively. The remuneration for Arash Noaeen is from 1 September 2025, the date Mr Noaeen was appointed as CFO. Propel's former Managing Director, Albin Kurti is excluded from this voluntary disclosure, given he retired on 31 August 2025.*
2. *Represents actual cash salary and superannuation amounts received by the executive KMP during the financial year. Cash salary excludes the movement of annual leave accruals.*
3. *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 is paid in accordance with legislative requirements, where applicable.*
4. *Superannuation contributions are paid in accordance with legislative requirements. Superannuation is included in the executive KMP's TFR.*
5. *The FY24 grant which vested on 30 June 2026 and the FY23 grant which vested on 30 June 2025 were not achieved.*

The actual remuneration mix and the proportion of each executive KMP's remuneration linked to performance in FY26 is illustrated below:



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:

Position	Co-CEO	CFO
Term of agreement	Evergreen.	Evergreen.
Termination and notice	12 months.	6 months.
Leave	6 weeks, annually.	5 weeks, annually.
Post employment terms	12 months non-compete.	12 months non-compete.
Change of control	On the date immediately prior (or earlier if determined by the Company, acting reasonably), 100% of the performance rights granted to the executives will vest and 100% of the relevant TFR will be payable.	On the date immediately prior (or earlier if determined by the Company, acting reasonably), 100% of the performance rights granted to the executives will vest and 100% of the relevant TFR will be payable.

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

4. 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 FY26 and FY25:

		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:								
Naomi Edwards	2026	135,474	-	-	-	-	-	135,474
	2025	100,000	-	-	-	-	-	100,000
Brian Scullin	2026	108,952	-	-	13,074	-	-	122,026
	2025	134,529	-	-	15,471	-	-	150,000
Jennifer Lang	2026	103,000	-	-	-	-	-	103,000
	2025	89,686	-	-	10,314	-	-	100,000
Neil Little	2026	71,352	-	-	3,406	-	-	74,758
	2025	-	-	-	-	-	-	-
Peter Dowding	2026	28,896			3,468			32,364
	2025	76,233			8,767			85,000
Executive KMP:								
Fraser Henderson	2026	864,238	198,241	-	30,000	8,797	(48,789)	1,052,487
	2025	662,525	211,400	-	30,208	3,575	(40,350)	867,358
Lilli Rayner	2026	828,982	201,829	2,470	30,000	90,957	(36,670)	1,117,568
	2025	592,133	180,311	4,864	30,000	39,214	(40,475)	806,047
Arash Noaeen	2026	357,844	61,800	-	19,489	30,795	11,444	481,372
	2025	-	-	-	-	-	-	-
Former Executive KMP:								
Albin Kurti	2026	167,315	103,966	5,978	5,000	(7,958)	146,775	421,076
	2025	922,663	402,733	4,327	30,000	5,221	(108,563)	1,256,381
Total	**2026**	**2,666,053**	**565,836**	**8,448**	**104,437**	**122,591**	**72,760**	**3,540,125**
	2025	**2,577,769**	**794,444**	**9,190**	**124,760**	**48,010**	**(189,388)**	**3,364,785**

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 is paid in accordance with legislative requirements, where applicable. Albin Kurti was paid 75% of his FY26 financial STI and 100% of his FY26 non-financial STI on a pro-rata basis, based on an assessment of results at the time of his retirement, being 31 August 2025, in cash.*
3. *Non-monetary benefits represent the costs to the Group, including any fringe benefits tax, largely 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 long service leave accruals in accordance with AASB 119 Employee Benefits.*
6. *LTIs are share based payments dependent upon the Adjusted EPS CAGR over a three year period. In relation to the LTIs:*
   - *the remaining value of the accrual relating to the FY25 grant was released in FY26, noting the two-year Adjusted EPS CAGR was -6.8%, below the lowest threshold. The FY25 accrual was equivalent to 20% of the maximum FY25 LTI for Fraser Henderson and Lilli Rayner;*
   - *20% of the FY26 LTI, pro-rated over 3 years (i.e 1/3 of the 20%) was accrued relating to the FY26 grant, noting the Adjusted EPS CAGR for the first year was -4.2%, below the lowest threshold; and*
   - *Albin Kurti was paid (in cash) one third of the target amount (i.e 1/3 of the 60%) of his FY26 LTI based on an assessment of results at the time he retired, being 31 August 2025.*

During FY26, 100% of non-executive directors' remuneration was fixed and none was at risk.

FY26 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	Held as at 1 July 2025	Allocated as compensation during the year[1]	Vested during the year	Cancelled/lapsed during the year	Held at 30 June 2026
Fraser Henderson	80,657	125,986	-	-	206,643
Lilli Rayner	68,796	123,607	-	-	192,403
Arash Noaeen	-	36,603	-	-	36,603

Notes:
1. *At Propel's 2025 AGM, shareholders approved the resolutions granting Fraser Henderson, in total 206,643 performance rights, and granting 40,812 performance rights to Lilli Rayner, noting that 151,591 were granted to Ms Rayner prior to being appointed an executive director.*

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	Award	Grant date[1]	Performance period start date	Performance period end date[2]	Fair value($)[3]	Maximum value of grants yet to be expensed ($)[4]
Fraser Henderson	LTVR 2025	13/11/2025	01/07/2024	30/06/2027	4.72	380,701
	LTVR 2026	13/11/2025	01/07/2025	30/06/2028	4.72	554,560
Lilli Rayner	LTVR 2025	03/06/2025	01/07/2024	30/06/2027	4.49	308,894
	LTVR 2026 (1)	03/07/2025	01/07/2025	30/06/2028	4.69	362,423
	LTVR 2026 (2)	13/11/2025	01/07/2025	30/06/2028	4.72	179,790
Arash Noaeen	LTVR 2026	01/09/2025	01/07/2025	30/06/2028	5.07	174,131

Notes:
1. *Fraser Henderson's LTVR 2025 and LTVR 2026, and Lilli Rayner's LTVR 2026 (2), were granted following shareholder approval obtained at the Company's 2025 AGM, in accordance with ASX Listing Rule 10.14. No shareholder approval was required for the following LTVR grants:*
   a. *Lilli Rayner's LTVR 2025 granted on 3 June 2025 and LTVR 2026 (1) granted on 3 July 2025; and*
   b. *Arash Noaeen's LTVR 2026 granted on 1 September 2025.*

   The above grants were approved by the board on the relevant grant dates.
2. *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.*
3. *Fair values represent the grant-date fair value of the performance rights determined in accordance with AASB 2.*
4. *The amount represents the maximum expected remaining value of the LTI to be expensed over the vesting period based on the fair value of the rights. The minimum value of performance rights is zero.*

5. Additional information and disclosures

KMP shareholding
The number of shares in the Company held during FY26 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:					
Naomi Edwards	38,590	-	15,690	-	54,280
Brian Scullin	364,936	-	-	-	364,936
Jennifer Lang	20,825	-	-	-	20,825
Neil Little[1]	-	-	-	578,282	578,282
Peter Dowding[2]	3,487,865	-	-	-	3,487,865
Executive KMP:					
Fraser Henderson	7,254,582	-	10,000	-	7,264,582
Lilli Rayner	753,629	-	-	-	753,629
Arash Noaeen[3]	-	-	-	62,057	62,057
Former Executive KMP:					
Albin Kurti[4]	10,166,373	-	-	-	10,166,373
	22,086,800	**-**	**25,690**	**640,339**	**22,752,829**

Notes:
1. *Neil Little was appointed as a non-executive director on 10 October 2025. Mr Little's holdings relate to shares acquired prior to his appointment as a non-executive director.*
2. *Peter Dowding's holdings is as at 13 November 2025, the date he retired as a non-executive director.*
3. *Arash Noaeen was appointed as a CFO on 1 September 2025, the date he became an executive KMP. Mr Noaeen's holdings relate to shares acquired prior to his appointment as an executive KMP.*
4. *Albin Kurti's holdings are as at 31 August 2025, the date he ceased to be a director.*

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 over the 5 year period to FY26:

		2026	2025	2024	2023	2022
Revenue	$'000	226,621	225,833	209,238	168,512	145,245
Operating EBITDA	$'000	55,268	56,155	55,393	45,958	39,643
Operating NPAT	$'000	20,731	21,604	21,135	20,888	18,201
Net Profit After Tax	$'000	19,919	20,399	17,812	19,010	(318)
Adjusted EPS	cents	15.0	15.7	16.8	17.7	16.2
Dividends paid in connection with the FY (fully franked)	cents	14.4	14.4	14.4	14.0	12.25
Share price at the end of the financial year	$	3.13	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 FY26 and up to the date of this directors' report.

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

Grant date	Award	Performance Period End date	Exercise price	Number under rights
03/06/2025	LTVR 2025	30/06/2027	$0.00	68,796
03/07/2025	LTVR 2026 (1)	30/06/2028	$0.00	82,795
01/09/2025	LTVR 2026	30/06/2028	$0.00	36,603
13/11/2025	LTVR 2025	30/06/2027	$0.00	80,657
13/11/2025	LTVR 2026	30/06/2028	$0.00	125,986
13/11/2025	LTVR 2026 (2)	30/06/2028	$0.00	40,812

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 issued on the exercise of performance rights during FY26 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.

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 FY26, 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 FY26 by the auditor are outlined in note 23 to the financial statements.
The directors are satisfied that the provision of non-audit services during FY26 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 2026/183, 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

Naomi Edwards	Lilli Rayner	Fraser Henderson
Chair	Co-CEO	Co-CEO

25 August 2026

Auditor's Independence Declaration

Nexia Sydney Audit Pty Ltd
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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 2026, 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: 25 August 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Revenue	5	226,621	225,833
Expenses			
Cost of sales and goods		(68,436)	(68,099)
Employee costs	6	(76,867)	(75,851)
Occupancy and facility expenses		(12,279)	(11,751)
Advertising expenses		(4,774)	(4,618)
Motor vehicle expenses		(3,446)	(3,253)
Other expenses		(6,683)	(6,597)
		54,136	55,664
Acquisition costs	6	(1,318)	(962)
Net (loss)/gain on disposal of assets		(647)	88
Other income		1,311	42
Depreciation expense	6	(16,077)	(15,740)
Interest income		385	475
Interest expense	6	(10,183)	(10,136)
Net financing charge on contract assets and contract liabilities	7	(62)	(461)
Net foreign exchange losses		(239)	(45)
Profit before income tax expense		27,306	28,925
Income tax expense	8	(7,387)	(8,526)
Profit after income tax expense for the year attributable to the shareholders of Propel Funeral Partners Limited		19,919	20,399
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(17,401)	2,506
Other comprehensive income for the year, net of tax		(17,401)	2,506
Total comprehensive income for the year attributable to the shareholders of Propel Funeral Partners Limited		2,518	22,905
		cents	**cents**
Basic earnings per share	34	14.44	14.79
Diluted earnings per share	34	14.44	14.79

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 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Assets			
Current assets			
Cash and cash equivalents	9	12,532	9,046
Customer deposits		734	746
Contract assets	7	75,727	75,841
Trade and other receivables	10	8,834	9,548
Inventories	11	7,819	7,342
Prepayments		1,835	1,591
Total current assets		107,481	104,114
Non-current assets			
Investments accounted for using the equity method	30	408	437
Property, plant and equipment	12	316,468	312,148
Right-of-use assets	13	20,259	27,875
Goodwill	14	199,831	203,728
Deferred tax assets	8	5,169	6,529
Other assets		399	289
Total non-current assets		542,534	551,006
Total assets		650,015	655,120
Liabilities			
Current liabilities			
Trade and other payables	15	15,544	14,593
Borrowings	16	39,724	24,724
Income tax		251	861
Provisions	18	12,276	12,870
Lease liabilities	17	4,068	4,498
Contract liabilities	7	82,883	83,026
Total current liabilities		154,746	140,572
Non-current liabilities			
Borrowings	16	123,070	115,661
Lease liabilities	17	19,464	26,847
Deferred tax liabilities	8	12,390	13,321
Provisions	18	2,751	3,542
Other liabilities		87	108
Total non-current liabilities		157,762	159,479
Total liabilities		312,508	300,051
Net assets		337,507	355,069
Equity			
Issued capital	19	380,844	380,844
Reserves		(16,823)	652
Accumulated losses		(26,514)	(26,427)
Total equity		337,507	355,069

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 2026

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

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 year	-	-	-	19,919	19,919
Other comprehensive income for the year, net of tax	-	(17,401)	-	-	(17,401)
Total comprehensive income for the year	-	(17,401)	-	19,919	2,518
Transactions with shareholders in their capacity as shareholders:					
Share-based payments (note 35)	-	-	(74)	-	(74)
Dividends paid (note 20)	-	-	-	(20,006)	(20,006)
Balance at 30 June 2026	380,844	(16,913)	90	(26,514)	337,507

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 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		251,069	250,473
Payments to suppliers and employees (inclusive of GST)		(196,206)	(194,050)
		54,863	56,423
Interest received		328	482
Interest and other finance costs paid - borrowings		(9,619)	(9,231)
Interest paid - lease liabilities (AASB 16)		(856)	(1,059)
Income taxes paid		(6,712)	(6,627)
Net cash from operating activities	32	38,004	39,988
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	28	(7,572)	(15,874)
Payments for property, plant and equipment		(27,310)	(25,691)
Proceeds from disposal of property, plant and equipment		2,855	337
Net cash outflow in contract assets and contract liabilities		(124)	(64)
Net cash used in investing activities		(32,151)	(41,292)
Cash flows from financing activities			
Proceeds from borrowings		85,919	81,750
Repayment of borrowings		(63,260)	(53,850)
Loans to other parties		65	(65)
Repayment of lease liabilities	33	(4,778)	(4,597)
Repayment of hire purchases	33	-	(5)
Dividends paid	20	(20,006)	(20,142)
Net cash (used in)/from financing activities		(2,060)	3,091
Net increase in cash and cash equivalents		3,793	1,787
Cash and cash equivalents at the beginning of the financial year		9,046	7,250
Effects of exchange rate changes on cash and cash equivalents		(307)	9
Cash and cash equivalents at the end of the financial year	9	12,532	9,046

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 2026

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 year ended 30 June 2026. 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 25 August 2026. 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.

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 Accounting 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 contingent consideration arising from business combinations, which is 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.

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.

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.

Note 2. Material accounting policy information (continued)

Principles of consolidation
The financial statements incorporate the assets and liabilities of all subsidiaries of Propel as at 30 June 2026 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.

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.

Note 2. Material accounting policy information (continued)

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.

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.

Note 2. Material accounting policy information (continued)

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 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.

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.

Note 2. Material accounting policy information (continued)

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.

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.

Note 2. Material accounting policy information (continued)

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.

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 the present value of the Group's probability weighted estimate of the cash outflow. It reflects management's estimate that the target will be achieved and is discounted using the Group 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.

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.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

Note 2. Material accounting policy information (continued)

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 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.

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.

Note 2. Material accounting policy information (continued)

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 2026/183, 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 2026. 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 (effective from 1 January 2027)
- AASB 2014-10 Sale or contribution of assets between investor and its associate or joint venture (effective from 1 January 2028)

AASB 18 replaces AASB 101 and applies to the Group from the year ending 30 June 2028, with the year ending 30 June 2027 restated as the comparative period. It does not change recognition or measurement and will not affect reported profit or net assets. It will change the structure of the statement of profit or loss through new mandatory operating profit and profit before financing and income taxes subtotals; require the Group's Operating EBITDA, Operating EBIT and Operating NPAT measures to be disclosed and reconciled in a single note within the audited financial statements; and require interest paid, currently classified as an operating cash flow, to be classified as a financing cash flow. The Group has commenced its assessment and is mapping its chart of accounts to the new categories. The financial effect of the presentational changes has not yet been quantified.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

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 contract 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.

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
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.

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 - 2026	Australian operations $'000	New Zealand operations $'000	Total $'000
Revenue			
Sales to external customers	163,514	62,061	225,575
Other revenue (excluding interest)	847	199	1,046
Total revenue	164,361	62,260	226,621
Operating EBITDA	38,810	16,458	55,268
Acquisition costs	(1,203)	(115)	(1,318)
Net loss on disposal of assets	(282)	(365)	(647)
Net other income/(expenses) *	712	(533)	179
Depreciation and amortisation	(12,370)	(3,707)	(16,077)
Interest income **	4,674	56	4,730
Finance costs **	(9,774)	(4,754)	(14,528)
Net financing charge on contract assets and contract liabilities	(15)	(47)	(62)
Net foreign exchange losses	(217)	(22)	(239)
Profit before income tax expense	20,335	6,971	27,306
Income tax expense			(7,387)
Profit after income tax expense			19,919
Assets			
Segment assets	566,172	159,233	725,405
Intersegment eliminations			(75,390)
Total assets			650,015
Liabilities			
Segment liabilities	294,374	93,524	387,898
Intersegment eliminations			(75,390)
Total liabilities			312,508

* Includes $1,223,000 management charge from the Australian operations to the New Zealand operations.
** Includes $4,345,000 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 2026

Note 4. Operating segments (continued)

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 contract 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	568,281	168,217	736,498
Intersegment eliminations			(81,378)
Total assets			655,120
Liabilities			
Segment liabilities	279,563	101,866	381,429
Intersegment eliminations			(81,378)
Total liabilities			300,051

* 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.

Geographical information

	Geographical non-current assets	
	2026 $'000	2025 $'000
Australia	465,293	468,865
New Zealand	147,463	156,988
Intersegment eliminations	(75,390)	(81,378)
	537,366	544,475

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 2026

Note 5. Revenue

	Consolidated 2026 $'000	Consolidated 2025 $'000
Revenue from contracts with customers	225,575	224,868
Other revenue		
Rent	1,046	965
Revenue	226,621	225,833

Disaggregation of revenue

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Funeral operations	198,436	197,997
Cemetery, crematoria and memorial gardens	24,031	24,201
Other trading revenue	3,108	2,670
	225,575	224,868

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

Note 6. Expenses

	Consolidated 2026 $'000	Consolidated 2025 $'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Buildings	3,734	3,390
Improvements	1,100	1,163
Plant and equipment	3,941	3,897
Motor vehicles	2,406	2,405
Total depreciation - property, plant and equipment (note 12)	11,181	10,855
Building right-of-use assets	4,522	4,534
Plant and equipment right-of-use assets	359	336
Motor vehicles right-of-use assets	15	15
Total depreciation - right-of-use assets (note 13)	4,896	4,885
Total depreciation expense	16,077	15,740
Other non-operating expenses		
Acquisition costs (note 28)	1,318	962
Interest expense		
Interest and finance charges paid/payable on borrowings	9,327	9,077
Interest and finance charges paid/payable on lease liabilities (AASB 16)	856	1,059
Total interest expense	10,183	10,136
Employee costs		
Employee costs and superannuation expense	72,597	71,814
Employee costs reclassed to other costs	(1,090)	(840)
Defined contribution superannuation expense	5,434	4,713
Share-based payments expense	(74)	164
Total employee costs	76,867	75,851

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

Note 7. Contract assets and liabilities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Contract assets		
– pre-paid contracts	75,727	75,841
Contract liabilities		
– pre-paid contracts	80,456	80,826
– monument works	2,427	2,200
	82,883	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).

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Profit or loss impact of undelivered contract assets and contract liabilities - pre-paid contracts		
Investment income on contract assets	2,054	1,614
Finance charge on contract liabilities	(2,116)	(2,075)
Net financing charge on contract assets and contract liabilities - pre-paid contracts	(62)	(461)

	Consolidated 2026 $'000	Consolidated 2025 $'000
Movements in contract assets - pre-paid contracts		
Opening balance	75,841	77,166
Sales of new contract assets	5,022	4,700
Redemption of contract assets following service delivery	(7,118)	(7,650)
Exchange differences	(72)	11
Increase due to investments returns	2,054	1,614
Closing balance	75,727	75,841
Contract assets expected to be realised within one year	7,107	7,518
Contract assets expected to be realised after one year	68,620	68,323
Total contract assets - pre-paid contracts	75,727	75,841

Note 7. Contract assets and liabilities (continued)

	Consolidated	
	2026 $'000	2025 $'000
Movements in contract liabilities - pre-paid contracts		
Opening balance	80,826	82,156
Sales of new contract liabilities	5,022	4,700
Decrease following delivery of services	(7,428)	(8,116)
Exchange differences	(80)	11
Increase due to finance charge applied in accordance with AASB 15	2,116	2,075
Closing balance	80,456	80,826
Contract liabilities expected to be realised within one year	7,551	8,012
Contract liabilities expected to be realised after one year	72,905	72,814
Total contract liabilities - pre-paid contracts	80,456	80,826

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 2026

Note 8. Income tax

	Consolidated 2026 $'000	Consolidated 2025 $'000
Income tax expense		
Current tax	6,976	8,367
Deferred tax - origination/(reversal) of temporary differences	784	372
Adjustment recognised for prior periods	(373)	(213)
Aggregate income tax expense	7,387	8,526
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	1,196	1,235
Decrease in deferred tax liabilities	(412)	(863)
Deferred tax - origination/(reversal) of temporary differences	784	372
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	27,306	28,925
Tax at the statutory tax rate of 30%	8,192	8,678
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Net financing charge on contract assets and liabilities	18	1
Prepaid contracts finance income	(117)	-
Entertainment expenses	79	85
Acquisition costs	1	1
Release of contingent consideration	(262)	-
Other non-allowable/(non-assessable) items	(11)	89
	7,900	8,854
Adjustment recognised for prior periods	(373)	(213)
Difference in overseas tax rates	(140)	(115)
Income tax expense	7,387	8,526

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

Note 8. Income tax (continued)

	Consolidated 2026 $'000	Consolidated 2025 $'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	81	95
Employee benefits	3,649	3,707
Accrued expenses	56	47
Termination fee in connection with the management internalisation	-	976
Net movement of lease balances (AASB 16)	1,073	1,146
	4,859	5,971
Amounts recognised in equity:		
Transaction costs on share issue	310	558
Deferred tax asset	5,169	6,529
Movements:		
Opening balance	6,529	7,751
Charged to profit or loss	(1,196)	(1,235)
Additions through business combinations (note 28)	25	28
Other adjustments	(88)	12
Net movement of lease balances (AASB 16)	(101)	(27)
Closing balance	5,169	6,529

	Consolidated 2026 $'000	Consolidated 2025 $'000
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	12,390	13,321
Deferred tax liability	12,390	13,321
Movements:		
Opening balance	13,321	14,448
Credited to profit or loss	(412)	(863)
Additions through business combinations	-	20
Other adjustments	(146)	(70)
Reversal of deferred balance on property disposal	(373)	(214)
Closing balance	12,390	13,321

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

Note 9. Cash and cash equivalents

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets		
Cash on hand	58	59
Cash at bank	7,763	8,987
Cash on deposit	4,711	-
	12,532	9,046

Note 10. Trade and other receivables

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets		
Trade receivables - customer contracts	8,886	9,704
Other receivables	223	165
Less: Allowance for expected credit losses	(275)	(321)
	8,834	9,548

Allowance for expected credit losses

The Group has recognised a provision of allowance for expected credit losses of $95,000 (2025: $179,000) in profit or loss for the year ended 30 June 2026.

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	2026 %	2025 %	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Current	-	-	6,137	7,017	13	19
1 to 3 months overdue	2%	3%	1,182	1,102	29	33
3 to 6 months overdue	9%	10%	508	495	45	50
Over 6 months overdue	15%	17%	1,282	1,255	188	219
			9,109	9,869	275	321

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Opening balance	321	292
Loss allowance recognised during the year	95	179
Receivables written off during the year as uncollectable	(126)	(117)
Movement in acquired provisions	(2)	(37)
Movements in exchange rates	(13)	4
Closing balance	275	321

Note 11. Inventories

	Consolidated 2026 $'000	2025 $'000
Current assets		
Work in progress - at cost	1,175	1,084
Finished goods - at cost	6,663	6,295
Less: Provision for inventory obsolescence	(19)	(37)
	7,819	7,342

Note 12. Property, plant and equipment

	Consolidated 2026 $'000	2025 $'000
Non-current assets		
Land - at cost	123,007	124,938
Buildings - at cost	149,700	139,099
Less: Accumulated depreciation	(20,667)	(17,342)
	129,033	121,757
Improvements - at cost	21,408	19,529
Less: Accumulated depreciation	(4,963)	(4,364)
	16,445	15,165
Plant and equipment - at cost	48,352	43,432
Less: Accumulated depreciation	(20,776)	(19,327)
	27,576	24,105
Motor vehicles - at cost	28,520	28,466
Less: Accumulated depreciation	(12,098)	(11,594)
	16,422	16,872
Construction in progress - at cost	3,985	9,311
	316,468	312,148

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 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	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
Additions	4,111	12,962	987	3,540	1,896	3,274	26,770
Additions through business combinations (note 28)	896	1,710	-	152	352	-	3,110
Disposals	(1,550)	(937)	(110)	(482)	(668)	-	(3,747)
Exchange differences	(5,388)	(3,238)	(584)	(474)	(619)	(329)	(10,632)
Transfers in/out	-	513	2,087	4,676	995	(8,271)	-
Depreciation expense (note 6)	-	(3,734)	(1,100)	(3,941)	(2,406)	-	(11,181)
Balance at 30 June 2026	123,007	129,033	16,445	27,576	16,422	3,985	316,468

Note 13. Right-of-use assets

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Land and buildings - right-of-use	38,825	45,384
Less: Accumulated depreciation	(19,304)	(18,247)
	19,521	27,137
Plant and equipment - right-of-use	1,549	1,460
Less: Accumulated depreciation	(841)	(730)
	708	730
Motor vehicles - right-of-use	38	43
Less: Accumulated depreciation	(8)	(35)
	30	8
	20,259	27,875

Right-of-use assets are tested for impairment whenever events or changes in circumstances indicate 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.

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 2024	28,399	881	23	29,303
Additions	908	175	-	1,083
Additions through business combinations	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
Additions	1,792	376	38	2,206
Additions through business combinations (note 28)	837	8	-	845
Lease reassessment and rent increases	49	-	(1)	48
Early terminations	(5,103)	(5)	-	(5,108)
Exchange differences	(669)	(42)	-	(711)
Depreciation expense (note 6)	(4,522)	(359)	(15)	(4,896)
Balance at 30 June 2026	19,521	708	30	20,259

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 2026;
- note 21 for undiscounted future lease commitments; and
- statement of cash flows for repayment of lease liabilities.

Note 14. Goodwill

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Goodwill - at cost	199,831	203,728

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 2024	194,497
Additions through business combinations	8,189
Adjustments for prior year business combinations	9
Exchange differences	1,033
Balance at 30 June 2025	203,728
Additions through business combinations (note 28)	2,758
Adjustments for prior year business combinations	7
Exchange differences	(6,662)
Balance at 30 June 2026	199,831

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 2026 and 30 June 2025 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	
	2026 $'000	2025 $'000
NSW	39,595	39,595
QLD	41,451	41,451
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	53,086	56,983
	199,831	203,728

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.

Note 14. Goodwill (continued)

The key assumptions, including the pre-tax discount rate which was 11.3% (2025: 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 4.8% (30 June 2025: 5.0%) for revenue, 4.3% (30 June 2025: 4.3%) for cost of sales and goods and 2.7% (30 June 2025: 2.7%) for operating expenses and overheads have been adopted. A long-term growth rate of 3.0% (30 June 2025: 3.0%) was used to extrapolate cash flows beyond the 5 year forecast period. 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 applied judgements and estimates in the impairment testing of goodwill. Changes to these assumptions may result in a reduction in the carrying amount of goodwill. A sensitivity analysis was performed by adjusting underlying assumptions unfavourably by 10%. The sensitivity analysis indicated that material headroom exists in the value-in-use calculations for all CGUs, except for the ACT CGU under a scenario where the pre-tax discount rate was increased by 10%, with all other assumptions held constant. Under this scenario, the recoverable amount for the ACT CGU was lower than its carrying amount, however the shortfall of the recoverable amount below the carrying amount was not material. The directors note that in connection with the sensitivity analysis, no other changes to key assumptions gave rise to an impairment.

Note 15. Trade and other payables

	Consolidated	
	2026 $'000	2025 $'000
Current liabilities		
Trade payables	4,374	5,158
Deposits	1,390	1,235
Accrued expenses	3,724	3,848
GST payable	1,113	1,460
Other payables	4,943	2,892
	15,544	14,593

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

Note 16. Borrowings

	Consolidated	
	2026 $'000	2025 $'000
Current liabilities		
Bank Loans	39,724	24,724
Non-current liabilities		
Bank Loans	123,070	115,661
	162,794	140,385
Senior Debt	163,712	141,053
Less: loan establishment costs	(918)	(668)
Total Bank Loans	162,794	140,385

Note 16. Borrowings (continued)

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

Bank Loans
As at the reporting date, the Group was party to the following debt facilities with Westpac Banking Corporation ('Financier'):
- $235,000,000 senior debt facility which matures in October 2029;
- $40,000,000 working capital facility which matures in October 2029 and is required to be cleaned down annually; and
- $50,000,000 accordion facility, drawdown of which is subject to satisfaction of customary conditions precedent/approvals,

resulting in total debt facilities of $325,000,000 (together, 'Senior Debt'), of which $163,712,000 was drawn as at 30 June 2026 (30 June 2025: $141,053,000). The net debt position (i.e. drawn Senior Debt less cash and cash equivalents of $12,532,000) was $151,180,000 as at 30 June 2026 (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.

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

	Consolidated	
	2026	**2025**
	$'000	**$'000**
Total Senior Debt facilities (including the accordion facility)	325,000	275,000
Used at the reporting date	(163,712)	(141,053)
Unused at the reporting date	161,288	133,947

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 2026, 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 2026, being 2.2x (2025: 2.1x) and 3.8x (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 17. Lease liabilities

	Consolidated	
	2026	**2025**
	$'000	**$'000**
Current liabilities		
Lease liability	4,068	4,498
Non-current liabilities		
Lease liability	19,464	26,847
	23,532	31,345

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

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

Note 18. Provisions

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Employee benefits	11,096	11,031
Contingent consideration (note 22)	1,137	1,773
Lease make good	43	66
	12,276	12,870
Non-current liabilities		
Employee benefits	548	640
Contingent consideration (note 22)	1,504	2,293
Lease make good	286	304
Perpetual maintenance care provision	413	305
	2,751	3,542
	15,027	16,412

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 - 2026	Lease make good $'000	Perpetual maintenance care $'000
Carrying amount at the start of the year	370	305
Additional provisions recognised	35	108
Additions through business combinations (note 28)	23	-
Unused amounts reversed	(81)	-
Movements due to change in discount rate	(18)	-
Carrying amount at the end of the year	329	413

Note 19. Issued capital

	Consolidated 2026 Shares	2025 Shares	2026 $'000	2025 $'000
Ordinary shares - fully paid	137,973,594	137,973,594	380,844	380,844

Note 19. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price/ fair value	$'000
Balance	1 July 2024	137,873,815		380,436
Shares issued - business combinations	17 July 2024	84,534	$4.03	341
Shares issued - business combinations	1 April 2025	15,245	$4.43	67
Balance	30 June 2025	137,973,594		380,844
Balance	30 June 2026	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 remains unchanged from the 30 June 2025 Annual Report.

Note 20. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated 2026 $'000	Consolidated 2025 $'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 for the year ended 30 June 2026 of 7.5 cents (30 June 2025: 7.4 cents) per ordinary share	10,348	10,209
	20,006	20,142

Note 20. Dividends (continued)

Dividends not recognised at year end

In addition to the above and since the reporting date, the directors declared a fully franked dividend of 6.9 cents per ordinary share on 25 August 2026. This dividend will be paid on 1 October 2026. This equates to an estimated total distribution of $9,520,000. The financial effect of the dividend declared after the reporting date is not reflected in the financial statements for FY26 and will be recognised in the subsequent financial period.

Franking credits

	Consolidated	
	2026 $'000	2025 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	5,438	9,358

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 2026, 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 eight Board meetings were held during FY26.

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. The foreign exchange gain or loss on translating the Group’s investment into Australian dollars at the end of the financial year is recognised in Other Comprehensive Income and accumulated in the foreign currency translation reserve.

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 2026, the Group was 100% unhedged.

Note 21. Financial risk management (continued)

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	2026 Weighted average interest rate %	2026 Balance $'000	2025 Weighted average interest rate %	2025 Balance $'000
Cash at bank	3.78%	7,763	4.18%	8,987
Contract assets	2.25%	75,727	2.00%	75,841
Senior Debt *	5.74%	(163,712)	6.24%	(141,053)
Net exposure to cash flow interest rate risk		(80,222)		(56,225)

* 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 (2025: 100) basis points would have a (unfavourable)/favourable effect on profit before tax of ($802,000)/$802,000 (2025: (unfavourable)/favourable effect of ($562,000)/$562,000) and (unfavourable)/favourable effect on equity of ($562,000)/$562,000 (2025: unfavourable/favourable ($394,000)/$394,000) per annum. The percentage change is based on the expected volatility of interest rates using market data and analyst forecasts.

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 2026 $'000	Consolidated 2025 $'000
Senior Debt (note 16)	161,288	133,947

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

Note 21. Financial risk management (continued)

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 - 2026	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	4,374	-	-	-	4,374
Other payables	8,206	-	-	-	8,206
Contingent consideration	1,166	997	631	-	2,794
Interest-bearing					
Bank Loans	49,397	9,397	136,276	-	195,070
Lease liability	4,802	4,050	7,694	10,795	27,341
Total non-derivatives	67,945	14,444	144,601	10,795	237,785

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

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 - 2026	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Current				
Contingent consideration	-	-	1,137	1,137
Non-current				
Contingent consideration	-	-	1,504	1,504
Total liabilities	-	-	2,641	2,641

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

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. 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.

Note 22. Fair value measurement (continued)

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 2024	4,143
Payments made	(2,126)
Additions through business combinations	1,664
Movement due to changes in discount rate	304
Foreign exchange difference	81
Balance at 30 June 2025	4,066
Payments made (note 28)	(1,092)
Additions through business combinations (note 28)	831
Movement due to changes in discount rate	161
Amounts reversed	(926)
Foreign exchange difference	(399)
Balance at 30 June 2026	2,641

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 $161,000 (2025: $304,000). 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	
	2026 $	2025 $
Audit services		
Audit or review of the financial statements	303,800	290,300

There were no non-audit services provided during the current or previous financial year by the auditors.

Note 24. Contingent liabilities

The Group had $505,000 bank guarantees as at 30 June 2026 (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 (2025: Nil).

Note 25. Commitments

	Consolidated	
	2026 $'000	2025 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	3,803	8,705

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

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 follows:

	Consolidated	
	2026	2025
	$	$
Short-term employee benefits	3,240,336	3,381,404
Post-employment benefits (superannuation)	104,437	124,760
Long-term benefits - long service leave	122,591	48,010
Long-term benefits - long-term incentive	72,760	(189,388)
	3,540,124	3,364,786

Note 28. 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 provide 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 in and around Auckland, New Zealand.

Collingwood Funeral Home
In May 2026, the Group acquired the business, assets and freehold property associated with Collingwood Funeral Home which provides funeral and related services from in and around Rotorua, New Zealand.

Leishman Funeral Services
In June 2026, the Group acquired the business, assets and freehold property associated with Leishman Funeral Services which provides funeral and related services from in and around Balclutha, New Zealand.

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

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

	Acquisitions Fair value $'000
Assets:	
Inventories	409
Other current assets	28
Property, plant and equipment	3,110
Right-of-use assets	845
Deferred tax assets	25
Liabilities:	
Provisions	(79)
Lease liabilities	(832)
Deferred monument works	(162)
Other liabilities	(86)
Lease make good provision	(23)
Net assets acquired	3,235
Goodwill	2,758
Acquisition-date fair value of the total consideration transferred	5,993
Representing:	
Cash paid to vendors	5,162
Contingent consideration (discounted)	831
	5,993
Cash used to acquire businesses, net of cash acquired per statement of cash flows:	
Cash paid to vendors	5,162
Less: cash and cash equivalents	-
Net cash used	5,162

Note 28. Business combinations (continued)

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 $1,318,000. The acquisition accounting was provisional as at 30 June 2026.

	Acquisitions 2026 $'000
Payment for purchase of business, net of cash acquired per cash flow statement	
Net cash used for the acquisitions	5,162
Acquisition costs	1,318
Contingent consideration payments (note 22)	1,092
Net cash used per statement of cash flows	7,572

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

	Acquisitions $'000
Revenue generated from acquisition date to 30 June 2026	2,570
Net profit after tax from acquisition date to 30 June 2026	336

If the four acquisitions had completed on 1 July 2025, it is estimated that the Group's revenue and net profit after tax for the year would have been approximately $230,192,000 and approximately $20,397,000 respectively.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

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 2026 %	Ownership interest 2025 %
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 Ltd	Australia	100.0%	100.0%
South Burnett Funerals & Crematorium Pty Ltd	Australia	100.0%	100.0%
Gympie Funeral Services Pty Ltd	Australia	100.0%	100.0%
Leslie G Ross Funeral Services Pty Ltd	Australia	100.0%	100.0%
Premier Funeral Group Pty Ltd	Australia	100.0%	100.0%
Integrity Funeral Services Pty Ltd	Australia	100.0%	100.0%
FV (NSW) Pty Ltd	Australia	100.0%	100.0%
Coonamble Funeral Services Pty Ltd	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) Ltd	New Zealand	100.0%	100.0%
Far North Funeral Services Ltd	New Zealand	100.0%	100.0%
Far North Memorial Gardens Ltd	New Zealand	99.9%	99.9%
Davis Services Group Ltd	New Zealand	100.0%	100.0%
Davis Funeral Services Ltd	New Zealand	100.0%	100.0%
Morris & Morris Ltd	New Zealand	100.0%	100.0%
Maunu Crematorium Ltd	New Zealand	100.0%	100.0%
Funerals Made Simple Ltd	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 Ltd	New Zealand	100.0%	100.0%
Erceg McIntyre Pty Ltd	Australia	100.0%	100.0%
FV (ACT) Pty Ltd	Australia	100.0%	100.0%
Norwood Park Pty Ltd	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 Ltd	New Zealand	100.0%	100.0%

Note 29. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
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 Ltd	New Zealand	100.0%	100.0%
Gregson & Weight Pty Ltd	Australia	100.0%	100.0%
Dils Funeral Services Ltd	New Zealand	100.0%	100.0%
PFP (NZ) Properties Ltd	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 Ltd	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 Ltd	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 Ltd	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 Ltd	New Zealand	100.0%	100.0%
Seddon Park Funeral Home Ltd	New Zealand	100.0%	100.0%
Harbour City Funeral Home Ltd	New Zealand	100.0%	100.0%
Terry Longley & Son Ltd	New Zealand	100.0%	100.0%
Tong & Peryer Ltd	New Zealand	100.0%	100.0%
Penhall Funerals Pty Ltd	Australia	100.0%	100.0%
I C Mark Ltd	New Zealand	100.0%	100.0%
Howard & Gannon Funerals Ltd	New Zealand	100.0%	100.0%
Southern Funeral Home Ltd	New Zealand	100.0%	100.0%
Gladstone Valley Funerals Pty Ltd	Australia	100.0%	100.0%
Decra Art Ltd	New Zealand	100.0%	100.0%
L Robertson Memorials Ltd	New Zealand	100.0%	100.0%
Twentymans Funeral Services Ltd	New Zealand	100.0%	100.0%
Richmond Funeral Home Ltd	New Zealand	100.0%	100.0%
Jones & Company Ltd *(formerly Before Use (NZ) (19) Ltd)*	New Zealand	100.0%	100.0%
Broadway Funeral Home Ltd *(formerly Before Use (NZ) (20) Ltd)*	New Zealand	100.0%	100.0%
Bay Cremation Care Ltd *(formerly Before Use (NZ) (21) Ltd)*	New Zealand	100.0%	100.0%
Jacobsen Headstones Ltd	New Zealand	100.0%	-
Collingwood Funeral Home Ltd	New Zealand	100.0%	-
Leishman Funeral Services Ltd	New Zealand	100.0%	-
Before Use (NZ) (29) Ltd	New Zealand	100.0%	-

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

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 2026 %	Ownership interest 2025 %
Osbornes Funeral Directors Ltd	New Zealand	49.99%	49.99%

On 29 May 2024, the Group acquired a 49.99% shareholding in Osbornes Funeral Directors Ltd. For the year ended 30 June 2026, the Group's share of profit from this joint venture was $22,000 (2025: loss of $35,000) which is recognised in other income, and the carrying value of the investment was $408,000 (2025: $437,000). There are no commitments or contingent liabilities in respect of this joint venture.

Note 31. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company 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'.

Note 31. Deed of cross guarantee (continued)

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	**2026 $'000**	**2025 $'000**
Revenue	11,917	12,547
Cost of sales and goods	(3,592)	(3,550)
Employee costs	(4,351)	(4,289)
Occupancy and facility expenses	(2,237)	(2,134)
Advertising expenses	(289)	(331)
Motor vehicle expenses	(213)	(182)
Other expenses	(1,372)	(1,114)
	(137)	947
Dividend / distribution received	20,286	20,597
Net (loss)/gain on disposal of assets	(2)	3
Other income	307	11
Depreciation expense	(956)	(1,071)
Interest income	4,639	5,369
Interest expense	(56)	(82)
Net financing charge on contract assets and contract liabilities	30	33
Net foreign exchange losses	(192)	(49)
Profit before income tax expense	23,919	25,758
Income tax expense	(625)	(1,307)
Profit after income tax expense	23,294	24,451
Other comprehensive income		
Foreign currency translation	(9,418)	1,385
Other comprehensive income for the year, net of tax	(9,418)	1,385
Total comprehensive income for the year	13,876	25,836

Equity - accumulated losses	**2026 $'000**	**2025 $'000**
Accumulated losses at the beginning of the financial year	(7,719)	(12,028)
Profit after income tax expense	23,294	24,451
Dividends paid	(20,006)	(20,142)
Accumulated losses at the end of the financial year	(4,431)	(7,719)

Notes to the Consolidated Financial Statements
for the year ended 30 June 2026

Note 31. Deed of cross guarantee (continued)

Statement of financial position	2026 $'000	2025 $'000
Current assets		
Cash and cash equivalents	1,477	1,385
Contract assets	2,014	1,962
Trade and other receivables	2,411	2,263
Inventories	233	236
Prepayments	75	79
Current tax assets	-	666
	6,210	6,591
Non-current assets		
Property, plant and equipment	2,445	2,375
Right-of-use assets	1,182	2,152
Goodwill	11,421	11,421
Deferred tax assets	629	964
Investment in subsidiaries and unit trusts	117,376	115,199
Other assets	232,738	239,874
	365,791	371,985
Total assets	372,001	378,576
Current liabilities		
Trade and other payables	625	650
Income tax	502	-
Provisions	371	297
Lease liabilities	523	566
Contract liabilities	1,994	1,969
	4,015	3,482
Non-current liabilities		
Lease liabilities	747	1,682
Deferred tax liabilities	135	172
Provisions	100	107
	982	1,961
Total liabilities	4,997	5,443
Net assets	367,004	373,133
Equity		
Issued capital	380,844	380,844
Reserves	(9,409)	8
Accumulated losses	(4,431)	(7,719)
Total equity	367,004	373,133

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Profit after income tax expense for the year	19,919	20,399
Adjustments for:		
Depreciation and amortisation	16,077	15,740
Share-based payment expenses	(74)	164
Net loss/(gain) on disposal of assets	647	(88)
Foreign exchange differences	239	45
Loss on movement in discount rate of earn-out	161	304
Net financing charge on contract assets and liabilities	62	461
Acquisition costs	1,318	962
Non-cash income	(1,697)	(421)
Other expenses	(397)	(548)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	649	578
Increase in inventories	(68)	(579)
Decrease in deferred tax assets	1,361	1,250
Decrease/(increase) in prepayments	56	(25)
Increase in trade and other payables	1,408	1,686
(Decrease)/increase in provision for income tax	(610)	1,777
(Decrease) in deferred tax liabilities	(932)	(1,147)
(Decrease) in employee benefits	(27)	(567)
(Decrease) in other provisions	(88)	(3)
Net cash from operating activities	38,004	39,988

Note 33. Changes in liabilities arising from financing activities

Consolidated 2026	Opening balance	Cash flows	Non-cash movement	Additions	Additions through business combinations	Foreign exchange	Closing balance
Senior Debt	141,053	22,659	-	-	-	-	163,712
Lease liabilities	31,345	(4,778)	(5,362)	2,206	832	(711)	23,532

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

Note 34. Earnings per share

	Consolidated	
	2026 $'000	2025 $'000
Profit after income tax attributable to the shareholders of Propel Funeral Partners Limited	19,919	20,399
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	137,973,594	137,958,171
Weighted average number of ordinary shares used in calculating diluted earnings per share	137,973,594	137,958,171
	Cents	Cents
Basic earnings per share	14.44	14.79
Diluted earnings per share	14.44	14.79

At 30 June 2026, the Group had 435,649 performance rights on issue. These are contingently issuable ordinary shares that were excluded from the calculation of diluted earnings per share because the relevant non-market performance (vesting) conditions were not expected to be satisfied at the reporting date. They may potentially dilute earnings per share in future periods.

Note 35. Share-based payments

During the years ended 30 June 2025 and 30 June 2026 (‘FY25 and FY26’ respectively), the Company granted LTI awards to eligible executives 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 applicable three-year performance period.

As at 30 June 2026, no performance rights had vested or been exercised. During the year, the Group reversed $164,000 of prior year share-based payment expense for awards no longer expected to vest and recognised $89,785 of expense in respect of the FY26 performance rights.

Set out below are summaries of performance rights granted under the plan:

2026

Grant date	Performance period end date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
03/06/2025	30/06/2027	149,453	-	-	-	149,453
03/07/2025	30/06/2028	-	82,795	-	-	82,795
01/09/2025	30/06/2028	-	36,603	-	-	36,603
13/11/2025	30/06/2028	-	166,798	-	-	166,798
		149,453	286,196	-	-	435,649

Note 35. Share-based payments (continued)

2025

Grant date	Performance period end date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
03/06/2025	30/06/2027	-	149,453	-	-	149,453
		-	149,453	-	-	149,453

The grant-date fair value of performance rights granted during the year was determined by reference to the Company's ordinary share price at grant date (non-market conditions) in accordance with AASB 2. Fraser Henderson's FY25 award was approved at Propel's 2025 Annual General Meeting. Further information about the Group's long-term incentive arrangements is provided in the Remuneration Report.

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 2026 $'000	Parent 2025 $'000
Profit after income tax	20,405	20,510
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	20,405	20,510

Statement of financial position

	Parent 2026 $'000	Parent 2025 $'000
Total current assets	1,265	1,748
Total assets	627,965	587,193
Total current liabilities	503	708
Total liabilities	265,975	225,602
Net assets	361,990	361,591
Equity		
Issued capital	380,844	380,844
Reserves	11	11
Accumulated losses	(18,865)	(19,264)
Total equity	361,990	361,591

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.

Note 36. Parent entity information (continued)

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 2026 (2025: $167,000).

Capital commitments
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 (2025: $Nil).

Material accounting policy information
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.

Note 37. Events after the reporting period

On 25 August 2026, the directors declared a fully franked final dividend in connection with FY26 of 6.9 cents per ordinary share. Total dividends declared in connection with FY26 were 14.4 cents per share (FY25: 14.4 cents per share), fully franked, which represents approximately **97%** of FY26 Distributable Earnings (NPAT adjusted for certain non-cash and non-operating items).

Subsequent to year end, the Group acquired the business, assets and freehold property associated with Evans which operates in and around Gisborne, New Zealand, for $4,715,000. Evans generates approximately $1,753,000 of revenue, per annum.

Apart from the events disclosed above, no other matter or circumstance has arisen since 30 June 2026 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

as at 30 June 2026

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 resident	N/A
PFP Finance Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
PFP Midco Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
FV (TAS) Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Millingtons Cemetery Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Millingtons Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Devonport Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Phillip Stephens Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
FV (QLD) Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
South Burnett Funerals & Crematorium Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Gympie Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Leslie G Ross Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Premier Funeral Group Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Integrity Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
FV (NSW) Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Coonamble Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Riverina Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
WT Howard Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Tamworth & Gunnedah Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Meadow Funeral Group Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
FV (VIC) Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Quinn Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Hall Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Handley Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Latrobe Valley Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
F.W. Barnes Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Mildura Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
FV (SA) Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Eyre Peninsula Funeral Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
FV (WA) Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
PFP (NZ) Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Far North Funeral Services Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Far North Memorial Gardens Ltd	Body corporate	New Zealand	99.9%	Foreign resident	New Zealand
Davis Services Group Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Davis Funeral Services Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Morris & Morris Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Maunu Crematorium Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Funerals Made Simple Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
FPT Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
The Australian Funeral Properties Unit Trust[1]	Trust	Australia	N/A	Australian resident	N/A
FPT (NZ) Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
The New Zealand Funeral Properties Unit Trust[1]	Trust	Australia	N/A	Australian resident	N/A
Wellington Funeral Directors Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Erceg McIntyre Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
FV (ACT) Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Norwood Park Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
PFP Corporate Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A

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

Consolidated Entity Disclosure Statement

as at 30 June 2026

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
Newhaven Funerals (North Queensland) Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Manning Great Lakes Memorial Gardens Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Grahams Funeral Services Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Morleys Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Coventry Funeral Homes Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Pet Cremations (Townsville) Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Waikanae Funeral Home Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Gregson & Weight Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Dils Funeral Services Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
PFP (NZ) Properties Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Pet Heaven Services Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Pets RIP Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Cremation for Pets Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Charles Berry & Son Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
State of Grace Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Glenelg Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Edinburgh Investments Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Eagars Funerals Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Carol & Terry Crawford Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Alfred James & Sons Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Sydney Farewells Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Walter Carter Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
J Fraser & Sons Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Community Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Wangaratta Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Pets at Rest Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Seddon Park Funeral Home Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Harbour City Funeral Home Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Terry Longley & Son Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Tong & Peryer Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Penhall Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
I C Mark Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Howard & Gannon Funerals Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Southern Funeral Home Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Gladstone Valley Funerals Pty Ltd	Body corporate	Australia	100.0%	Australian resident	N/A
Decra Art Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
L Robertson Memorials Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Twentymans Funeral Services Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Richmond Funeral Home Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Jones & Company Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Broadway Funeral Home Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Bay Cremation Care Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Jacobsen Headstones Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Collingwood Funeral Home Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Leishman Funeral Services Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand
Before Use (NZ) (29) Ltd	Body corporate	New Zealand	100.0%	Foreign resident	New Zealand

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 2026 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

Naomi Edwards Chair	Lilli Rayner Co-CEO	Fraser Henderson Co-CEO

25 August 2026

Independent Auditor's Report

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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 2026, 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 2026 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.

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 FY2027 forecasted cash flows used in the impairment model with the actual performance and forecasts for FY2026; • 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 the purchase of these businesses.	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; • 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

Independent Auditor's Report

Nexia Australia

Key audit matter	How our audit addressed the key audit matter
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.	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 2026, 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

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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 35 of the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Propel Funeral Partners Limited for the year ended 30 June 2026, 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: 25 August 2026
Sydney

Shareholder Information

The shareholder information set out below was applicable as at 16 July 2026:

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	90	108,399,286	78.57
10,001 to 100,000	761	18,841,007	13.65
5,001 to 10,000	744	5,639,766	4.09
1,001 to 5,000	1,557	4,306,627	3.12
1 to 1,000	1,986	786,908	0.57
Total	**5,138**	**137,973,594**	**100.00**

Unmarketable Parcel

There were 497 shareholders with unmarketable parcels totalling 42,687 shares based on the closing market price as of 16 July 2026.

Twenty Largest Shareholders

On 16 July 2026, the 20 largest shareholders were as follows:

Shareholder	Number of Ordinary Shares	% of Issued Capital
J P Morgan Nominees Australia Pty Limited	20,661,905	14.98
Citicorp Nominees Pty Limited	17,607,637	12.76
DKH TI Pty Ltd	14,732,667	10.68
HSBC Custody Nominees (Australia) Limited	10,945,338	7.93
BNP Paribas Noms Pty Ltd <Global Markets>	6,997,428	5.07
BNP Paribas Nominees Pty Ltd	3,592,197	2.60
BNP Paribas Noms Pty Ltd <Agency Lending A/C>	2,583,318	1.87
Hart & Miley No. 1 Pty Ltd	1,767,098	1.28
Ruapehu Holdings Pty Limited	1,746,497	1.27
Netwealth Investments Limited	1,567,724	1.14
Nibla No 1 Pty Ltd	1,518,222	1.10
Mr Andrew Philip John Wade & Mrs Rosanna Wade	1,430,917	1.04
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
BNP Paribas Noms (NZ) Ltd	733,610	0.53
Lymal Pty Ltd	731,743	0.53
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 2026:

Class	Number of Shares	% of Issued Capital	Date that the escrow period ends
PFPESC0826	280,532	0.20	11 August 2026
PFPESC0926	58,685	0.04	1 September 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 following table shows (as at 16 July 2026) the details of each substantial shareholder who, together with their associates, notified Propel under section 671B of the Corporations Act 2001 (Cth), that they hold 5% or more of voting rights in Propel's shares:

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
Lennox Capital Partners Group	7,852,683	5.69	17 October 2025
Washington H. Soul Pattinson and Company Limited and Subsidiaries	6,944,482	5.03	14 May 2026

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

As at 16 July 2026, there were 435,649 performance rights over unissued ordinary shares.

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 2026, 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

Naomi Edwards (Non-Executive Chair)
Brian Scullin (Non-Executive Director)
Jennifer Lang (Non-Executive Director)
Neil Little (Non-Executive Director)
Fraser Henderson (Executive Director)
Lilli Rayner (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 25 August 2026, has been approved by the Board and is available on the Company's website: (https://investors.propelfuneralpartners.com.au/investor-centre/?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 May 2026. The report is available on the Company's website.


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