

19 October 2021

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Propel successfully completes ~\$50 million placement and announces SPP

- Propel has received commitments to raise ~\$50 million via a Placement at an issue price of \$4.10 per share
- In addition to the Placement, Propel announces it will offer existing eligible shareholders the opportunity to participate through a SPP to raise up to a further \$10 million
- Net proceeds from the Placement and the SPP will be used to pay down debt to provide financial flexibility to pursue further growth initiatives, including acquisitions
- Pro forma net leverage ratio will reduce to ~1.1x and pro forma available funding capacity will increase to ~\$150 million

Propel Funeral Partners Limited (ASX: PFP) (**Propel** or **Company**) is pleased to announce that it has successfully completed a circa \$50.2 million institutional placement (**Placement**) of approximately 12.25 million new fully paid ordinary shares (**New Shares**) to new and existing institutional shareholders at an issue price of \$4.10 (**Placement Price**) per New Share.

Albin Kurti, Managing Director of Propel said: "We are delighted by the support received from Propel's existing institutional shareholders and to be welcoming new institutional investors, who will broaden Propel's share register. We are also pleased to offer all eligible shareholders the ability to participate in the share offering via the SPP. We believe this is the right time to further strengthen our balance sheet, as the Company seeks to continue to execute on its acquisition led growth strategy in what is a highly fragmented industry."

The Placement Price represents a 7.2% discount to the last closing price¹ of Propel shares and a 5.4% discount to the 5 day VWAP^{1,2}.

Settlement of the Placement is expected to occur on Friday, 22 October 2021. The New Shares to be issued under the Placement are expected to be allotted and commence trading on the ASX on Monday, 25 October 2021. The New Shares to be issued under the Placement will rank equally with existing fully paid ordinary shares of Propel and will be issued within the Company's placement capacity under ASX Listing Rule 7.1.

Share Purchase Plan (SPP)

In addition to the Placement, Propel will offer all eligible existing shareholders with a registered address in Australia or New Zealand on Propel's share register at 7:00pm (Sydney time) on Monday, 18 October 2021 the opportunity to apply for new Propel shares through the SPP without incurring brokerage fees. Participation in the SPP by eligible shareholders is optional. The price to be paid by eligible shareholders for New Shares under the SPP will be the lowest of:

- the Placement Price;
- a 2.0% discount (rounded down to the nearest cent) to the 5-day VWAP of Propel shares up to, and including, the closing date of the SPP (expected to be Wednesday, 17 November 2021); and
- a 2.0% discount to the closing price of Propel shares on the closing date of the SPP.

Propel intends to raise up to \$10 million via the SPP. The Company reserves the right to increase the size of the SPP or, if necessary, scale back applications under the SPP, at its sole discretion.

Eligible shareholders will be entitled to subscribe for up to \$30,000 worth of New Shares through the SPP. It is expected that the SPP offer period will open on Wednesday, 27 October 2021 and will close at 5:00pm (Sydney time) on Wednesday, 17 November 2021. New Shares issued under the SPP will rank equally with Propel's existing fully paid ordinary shares. Shareholder approval is not required for the issue of the New Shares under the SPP.

Each director of the Company, including executive directors Albin Kurti and Fraser Henderson, and Propel's CFO, Lilli Gladstone, have confirmed their intention (either directly and/or through their associated entities) to participate in the SPP.

The SPP is not underwritten. Further information in relation to the SPP, including the SPP terms and conditions, is expected to be made available to eligible shareholders on Wednesday, 27 October 2021. Eligible shareholders should review the SPP terms and conditions in full before deciding whether or not to participate in the SPP.

¹ As at 15 October 2021.

² Volume Weighted Average Price (VWAP).

Use of proceeds

Propel intends to use the net proceeds of the Placement and the SPP to pay down debt to provide financial flexibility to pursue further growth initiatives, including acquisitions. Upon completion of the Placement and the SPP, Propel's historical pro forma³:

- net leverage ratio⁴ will reduce to approximately 1.1x; and
- available funding capacity will increase to approximately \$150 million.

Indicative timetable

| Event | Date |
|---|--|
| Record Date for determining eligibility for the SPP | 7:00pm (Sydney time), Monday, 18 October 2021 |
| Announcement of completion of the Placement and announcement of SPP - trading halt lifted | (pre-market) Tuesday, 19 October 2021 |
| Settlement of New Shares to be issued under the Placement | Friday, 22 October 2021 |
| Allotment of New Shares for the Placement and New Shares commence trading on the ASX | Monday, 25 October 2021 |
| SPP opens and SPP terms and conditions despatched | Wednesday, 27 October 2021 |
| SPP closes | Thursday, 17 November 2021 |
| Allotment of New Shares for the SPP | Tuesday, 23 November 2021 |
| New Shares issued under the SPP commence trading on the ASX | Wednesday, 24 November 2021 |
| Despatch of holding statements | Wednesday, 24 November 2021 |

The above timetable is indicative only and subject to change. Propel reserves the right to amend any or all of these dates at their absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of the New Shares is subject to approval from the ASX. All references to date or time in the indicative timetable is a reference to Sydney time.

Bell Potter Securities Limited is acting as lead manager to the Placement.

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³ As at 30 June 2021, including the proforma impacts of the management internalisation, the acquisition of State of Grace Funerals (completed on 14 September 2021), Berry Funeral Directors (completed on 1 October 2021), and Glenelg Funerals (expected to complete by 31 December 2021, subject to satisfaction/waiver of customary conditions precedents), payment of the FY21 final dividend (paid on 5 October 2021) and the impacts of the equity raising (including transactions costs). Assumes a total of \$60 million is raised from the Placement and the SPP.

⁴ For debt covenant purposes.

ASX ANNOUNCEMENT



About Propel:

Propel is listed on the Australian Securities Exchange and is the second largest private provider of death care services in Australia and New Zealand. Propel currently operates from 138 locations, including 32 cremation facilities and 9 cemeteries.

For further information, please contact:

Lilli Gladstone
Chief Financial Officer
+612 8514 8644

Authority to release:

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

Important notices:

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements. Forward-looking statements, including projections or guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Propel). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.

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