



GRUPA
KLEPSYDRA

Grupa Klepsydra closes the year with two new acquisitions

EXPECTED DEMOGRAPHIC CHANGES AND NEW MARKET REGULATIONS WILL DRIVE THE MARKET IN THE NEXT YEARS

WARSAW, 21 FEBRUARY 2024
GRUPAKLEPSYDRA.PL



Group's Key People



PAWEŁ ŁAPIŃSKI

Vice-President of the Management Board

He enjoys over 26-year professional experience in various areas of the economy (power, logistics, chemical, foodstuff, fertilisers). His expertise covers, among other things, building value for shareholders, improving companies' performance, developing and implementing strategies, securing financing and running investment projects, organic development of companies, and M&A processes. He is also experienced in managing listed companies and controlling relations with the capital market. His professional career included managerial functions in companies such as: Stelmet S.A., Grupa Azoty S.A., Boryszew S.A. czy Bumar-Hydroma S.A.



TOMASZ SALSKI

The main shareholder of the Klepsydra Group

He has been with the Polish funeral industry for nearly 30 years now. A leading shareholder of the Klepsydra Group. He has remarkably contributed to the success of all Klepsydra Group companies. He was the President of the Polish Funeral Association (PFA) for two terms. During his presidency, the PFA became the Polish representative in the International Federation of Thanatologists Associations. He successfully promoted the "Memento" Funeral Fair brand. He is a principal shareholder in ŁKS Łódź football team.



MAREK CICHEWICZ

President of the Management Board

He has been with the Polish funeral industry for over 17 years now. He is also the CEO of BONGO International Funeral Services Ltd. and President of the International Federation of Thanatologists Associations, which gathers members from over 80 countries. He is the first Pole to occupy the position. In FIAT-IFTA, he coordinates all matters related to the international transport of the deceased. From 2013 to 2019, he was Deputy Chairman of the Polish Funeral Association. He coordinated two Memento fair exhibitions in 2008 and 2010.

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OUTLOOK FOR 2024



SUMMARY





The Klepsydra Group is a **LEADER** in funeral market in Poland and the **FIRST** company from this sector listed on the Warsaw Stock Exchange.



Klepsydra Group Companies



est. 1958

International Funeral Services

Office for the Care of the Tombs of Foreigners



CENTRUM POGRZEBOWE



Firma Pogrzebowa „Klepsydra” Sp. z o.o.

COMPREHENSIVE FUNERAL SERVICES,
CREMATORY

- Łódź Offices
- A crematory with three furnaces
- A cold room for 150 bodies
- Autopsy room
- Body preparation place
- Five chapels
- Two florist's
- Masonry services
- 14 hearses
- A broad range of coffins, urns and accessories

Bongo Międzynarodowe Usługi Pogrzebowe Sp. z o.o.

INTERNATIONAL FUNERAL SERVICES,
TRANSPORTING THE DECEASED

- Offices in Warsaw and Łódź
- Nine hearses
- Worldwide agents and partners
- International experience
- Professional service, care, advice for the deceased's friends and families
- Funerals of VIPs, distinguished and accomplished persons

Centrum Pogrzebowe Sp. z o. o.

CEMETERY, CREMATORY AND FUNERAL SERVICES FOR LOCAL COMPANIES FROM THE MAŁOPOLSKIE REGION

- Offices in Krakow
- A crematory with two furnaces
- A cold room for 40 bodies
- A body preparation place
- Two chapels
- Masonry services
- The whole project shall deliver over 10,000 burial places
- The place's area is 9 hectares (10.5 sq yards)

P.U.K. Kraków Sp. z o.o.

KRAKOWSKIEJ COMPREHENSIVE FUNERAL SERVICES – ONE OF THE LEADERS IN KRAKOW CITY

- Offices in Kraków
- A cold room for 70 bodies
- Body preparation place
- Identification room
- 7 hearses
- A broad range of coffins, urns and accessories

SOTOR Sp. z o.o.

COMPREHENSIVE FUNERAL SERVICES – ONE OF THE LEADERS IN TORUŃ

- Offices in Toruń
- A cold room for 12 bodies
- Body preparation place
- Identification room
- 8 hearses
- A florist's
- Masonry services
- A broad range of coffins, urns and accessories



KEY FEATURES

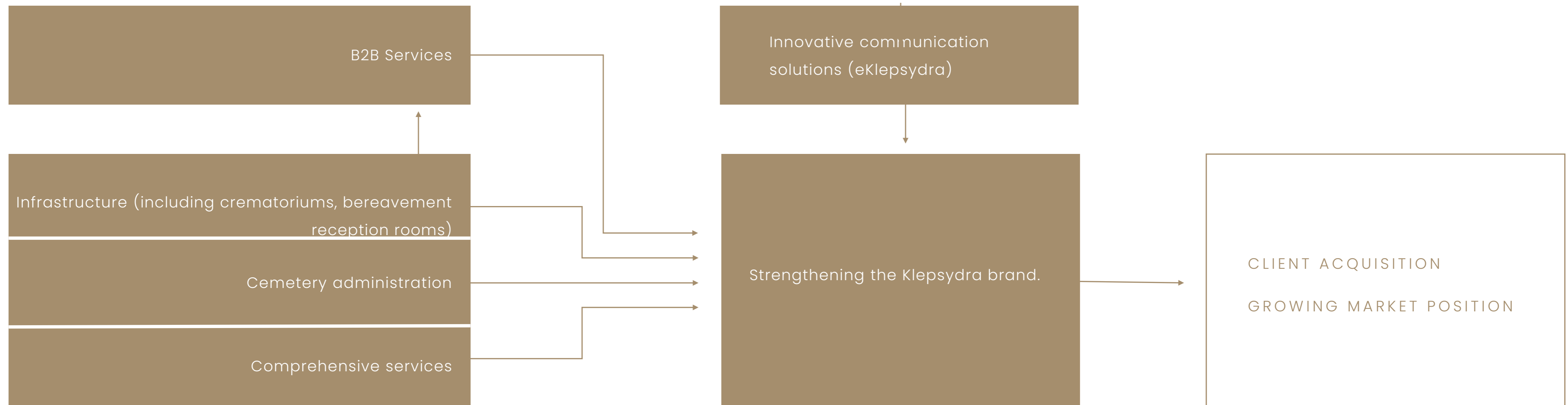
- comprehensive services
- brand awareness
- high quality of the services
- own infrastructure



B2B SERVICES

Subcontracting in the B2B model - as a subcontractor for other companies from the market

A verified operational mode.



The strategy - the 5-year implementation

UP TO 10% MARKET SHARE IN THE NEAREST FIVE YEARS

Further acquisitions of entities of similar size, operating in large or medium-sized Polish cities, are planned for 2024-2027.

According to the Group estimates, in the nearest five years, that should result in a strong capital group consisting of about 20 companies operating in significant markets in Poland and holding up to 10% share in the fragmented market in terms of number of services.

To this end, the Klepsydra Group plans to allocate up to 80% of net profit together with monies from issued shares.

UP TO 20% DIVIDEND PAID FROM 2025

After initial investments in the Group's expansion, the company intends to join the group of listed companies which pay dividends on a regular basis. According to the adopted dividend policy, the Group has every intention to pay 20% of its net profit as dividends to its investors starting from 2025. The first dividend shall be paid in 2025 (from the 2024 net profit).



Market characteristics - the key to consolidation



A FRAGMENTED MARKET

- The Klepsydra Group operates in a highly fragmented market of funeral services in Poland.
- Industry organisations estimate that there are around 2,500 companies providing funeral services in Poland.



SUCCESSION ISSUE

- Nearly 60% of companies were established in the 1980s and 1990s.
- They can be divided into companies founded by individuals in the 1990s and companies with a "municipal" past, i.e. entities established under the previous system, which have been or are still being privatised since the 1990s.
- Some of them are family companies that currently face succession problems.



LOCAL GOVERNMENT MANAGEMENT

- In Poland and in Europe, there are still entities from the funeral sector, owned by local government units.
- Within their optimising processes, they continue to focus on their core business, outsourcing some tasks, e.g. funeral services.



LASTING DEMAND FOR FUNERAL SERVICES

- The number of deaths is the primary factor determining the demand for funeral services. In the past several years, it has been relatively constant, both in Europe and Poland.
- The exception was the years of the pandemic, when a significant increase in the number of deaths was recorded.
- In Poland, the mortality rate, apart from the pandemic years, remains stable and amounts to approximately 400,000 deaths per year..

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Klepsydra Group: Most important business events in 2023

NOVEMBER 2023 /
JANUARY 2024

JANUARY 2024

LISTING ON GPW

- In June 2023, Klepsydra Group was listed on NewConnect as a result of the reverse takeover of Merit S.A.
- It is the first and only company from this segment listed on the Polish stock exchange
- The Group includes 3 companies previously owned by Tomasz Salski and Marek Cichewicz: Firma Pogrzebowa „Klepsydra”, BONGO Międzynarodowe Usługi Pogrzebowe, and Centrum Pogrzebowe.
- A leading entity on Poland’s funeral market was established

PUBLISHED STRATEGY

- The Group published a 5-year strategy in June to strengthen its market position by consolidating Poland’s fragmented funeral market
- Over the next 5 years, Klepsydra Group expects to manage a group of approximately 20 entities (currently 5)

FIRST ACQUISITION

- In June, the Group made its first acquisition of a funeral company: it acquired 67.62% of the share capital of Przedsiębiorstwo Usług Komunalnych Sp. z o. o., based in Kraków (PUK), which became part of the Group
- The Group has thus confirmed its commitment to the published strategy

FIRST ISSUE CLOSED

- In July, the Group raised PLN 6.75 million through a private placement.
- The funds will be used to finance the first acquisitions of funeral companies and to inject working capital into the Company.
- Investor interest in the shares of this issue significantly exceeded its size.

SECOND ACQUISITION – Q4 2023

- The Klepsydra Group concluded on November 28, 2023, a conditional agreement for the purchase of all shares in Sotor for PLN 10 million
- The acquisition was completed on January 25, 2024.

RISING PLN 23.3 million

- The Klepsydra Group acquired a significant shareholder, Global Funeral Services, which acquired 3.3 million shares of the new issue of series H, which in total constitute nearly 14% of the share capital of the Group.
- Thus, the Klepsydra Group will obtain nearly PLN 23.3 million for further acquisitions.

Global Funeral Services is a new shareholder of the Group

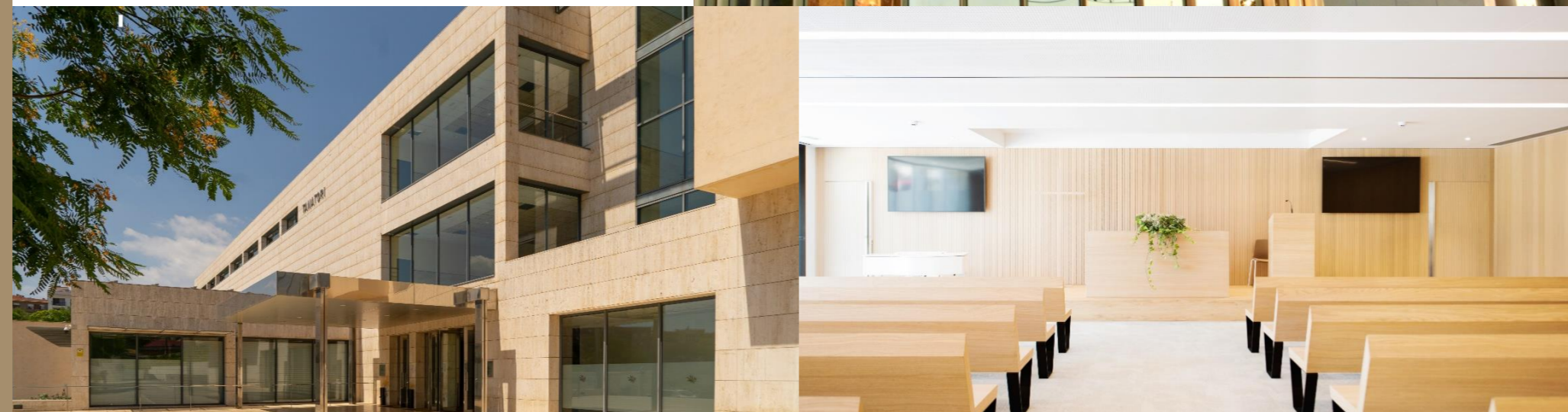
Global Funeral Services was founded in 2017 by two family-owned funeral companies, GRUP VFV SL and Cabré Junqueras SA, to seek investment opportunities and further growth in the funeral sector outside Spain.

- o GRUP VFV SL is the leader of the Catalan funeral sector with a history of more than 300 years,
- o Cabré Junqueras SA is the largest independent family funeral company in Catalonia with an extensive network of funeral homes and more than 120 years of tradition.

GFS in numbers:



- GFS acquired over **3.3 million** new series H shares and holds nearly 14% share in the share capital of the Group
- The Klepsydra Group raised nearly **PLN 23.3 million** for further acquisitions
- **5-year lock-up** on the company's shares for the main shareholders (Tomasz Salski, Marek Cichewicz) and the new investor, GFS
- **dividend payment of 20%** of the annual profit if it amounts to at least PLN 2 million.



Implementation of the strategy – managing a bigger group of companies



Klepsydra Group
ACCOMPLISHED the published acquisition plans – two acquisitions in 2023



Klepsydra Group
STEADILY pursues its growth strategy



It is the first Polish company to
CONSOLIDATE Poland's domestic funeral market

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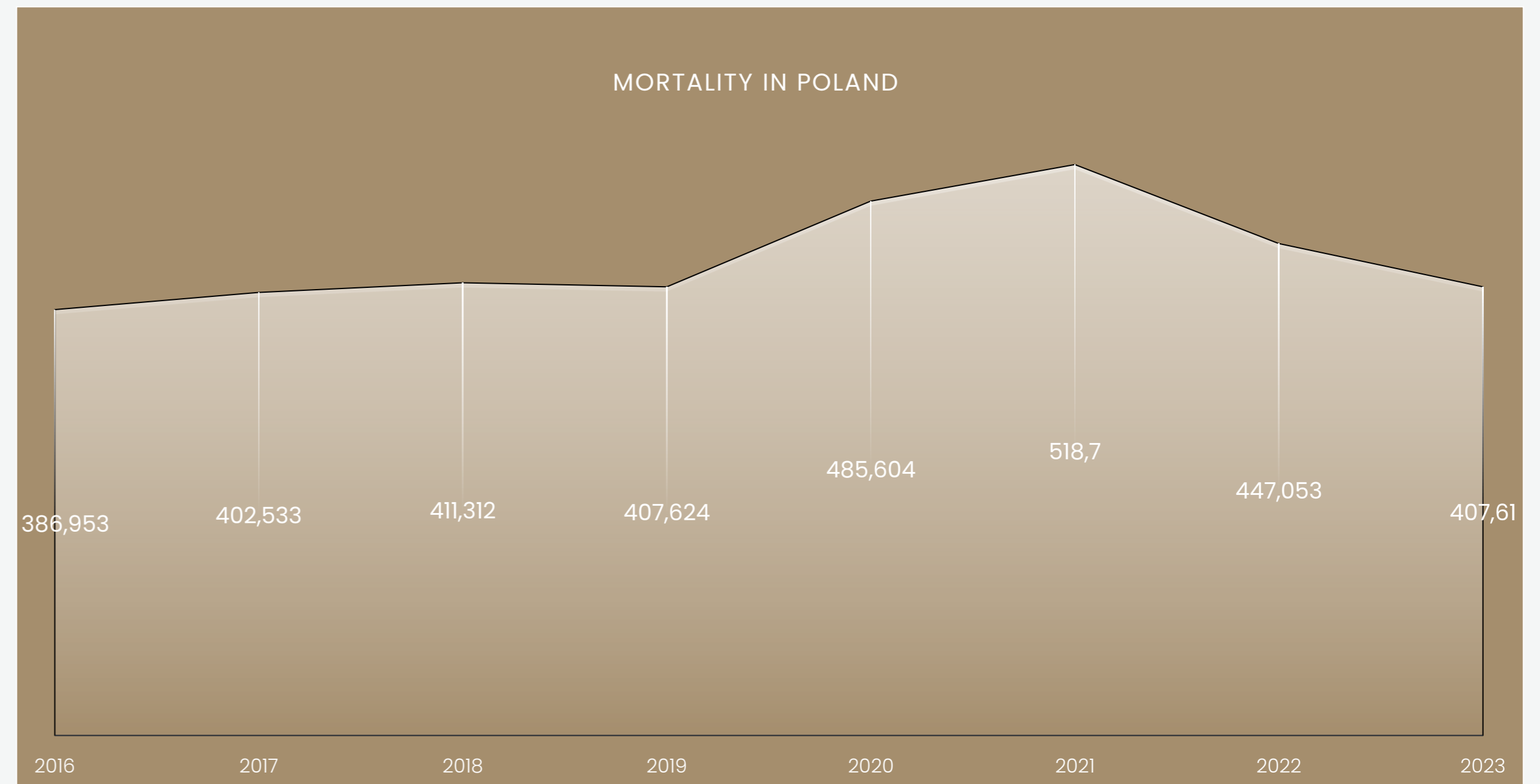


SUMMARY



Market situation - currently expected stabilization and growth in the long term

- After the period of "pandemic" growth, the market is stabilizing at pre-pandemic levels
- The decline in mortality in 2023 was 9% compared to 2022
- In the coming years, due to demographic changes in our country, the number of deaths will systematically increase
- According to the forecasts of the Central Statistical Office, the increase in the number of deaths will be constant and may amount to over 500,000 in 2046.
- This is related to the systematic increase in the number of people aged 65 and over and the fact that from 2025, many people born after World War II will also reach old age (80 and over)..



Central Statistical Office

The Group in numbers in 2023

Despite the market decline, the number of services provided by the Grupa Klepsydra companies was at a very high level:

- there was a dynamic increase in the number of burials
- the number of cremations was at a level comparable to last year
- the number of international transport cases handled decreased less than the overall market



TOTAL FUNERALS

2 562
+ 30%



TOTAL CREMATIONS

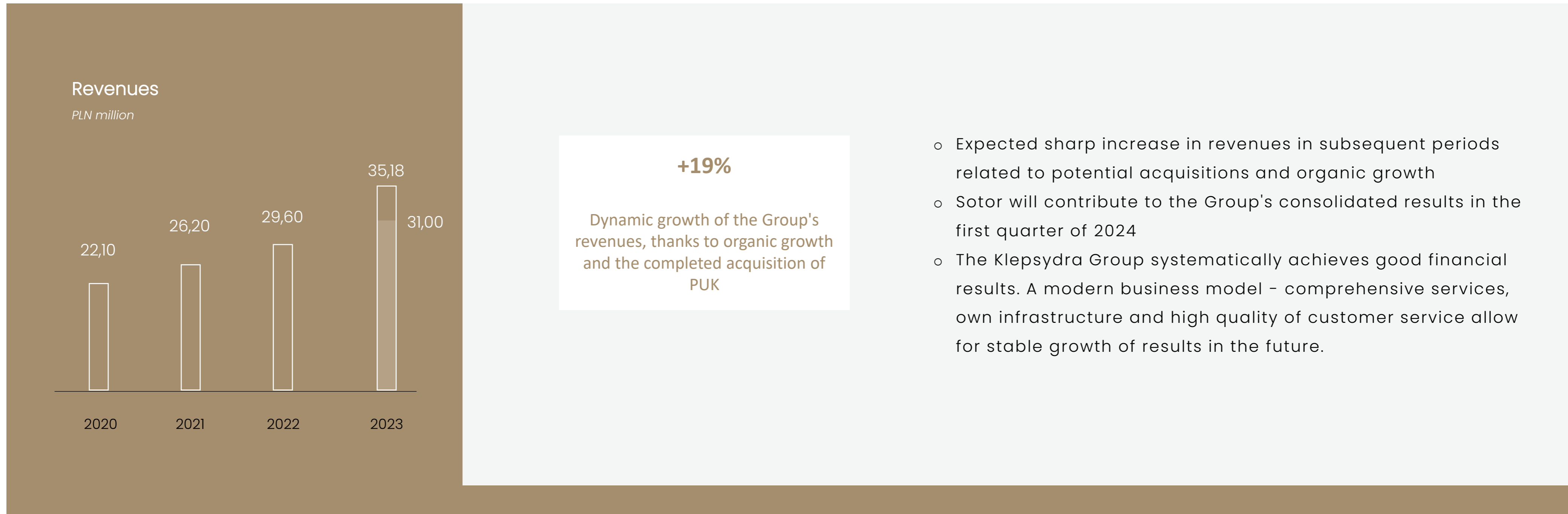
8 484
- 1%



TOTAL ANNUAL INTERNATIONAL
TRANSPORT JOBS

650
- 6%

Klepsydra Group's 2023 financial results



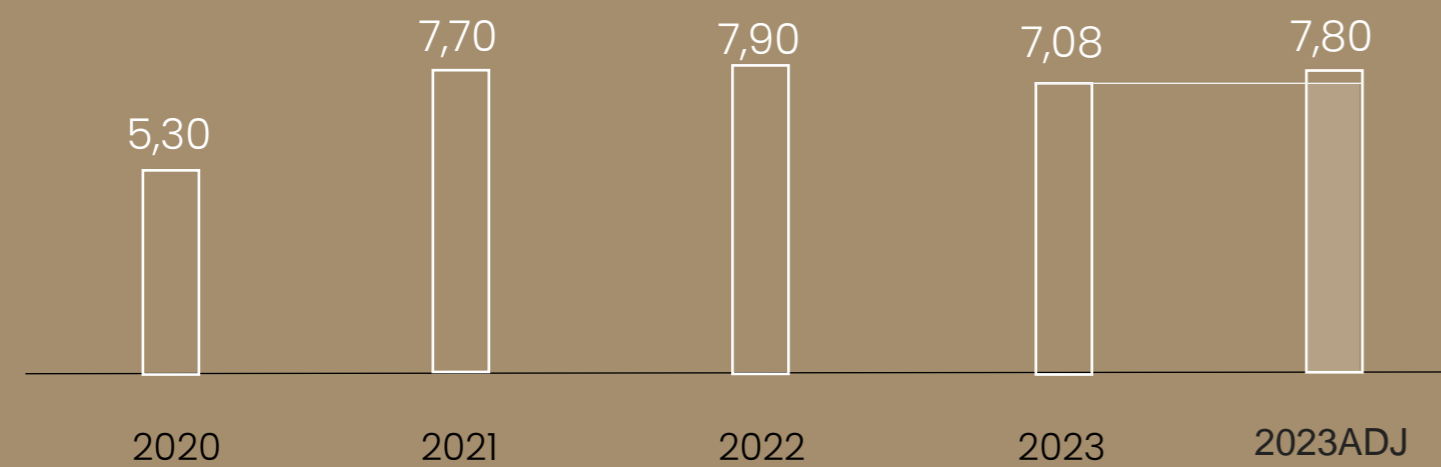
Pro-forma consolidated results of Klepsydra Group companies, presented under the PAS.

For information purposes, selected financial data have been prepared assuming the consolidation of all revenues and expenses of the consolidated companies from 1 January 2023.

Klepsydra Group's 2023 financial results

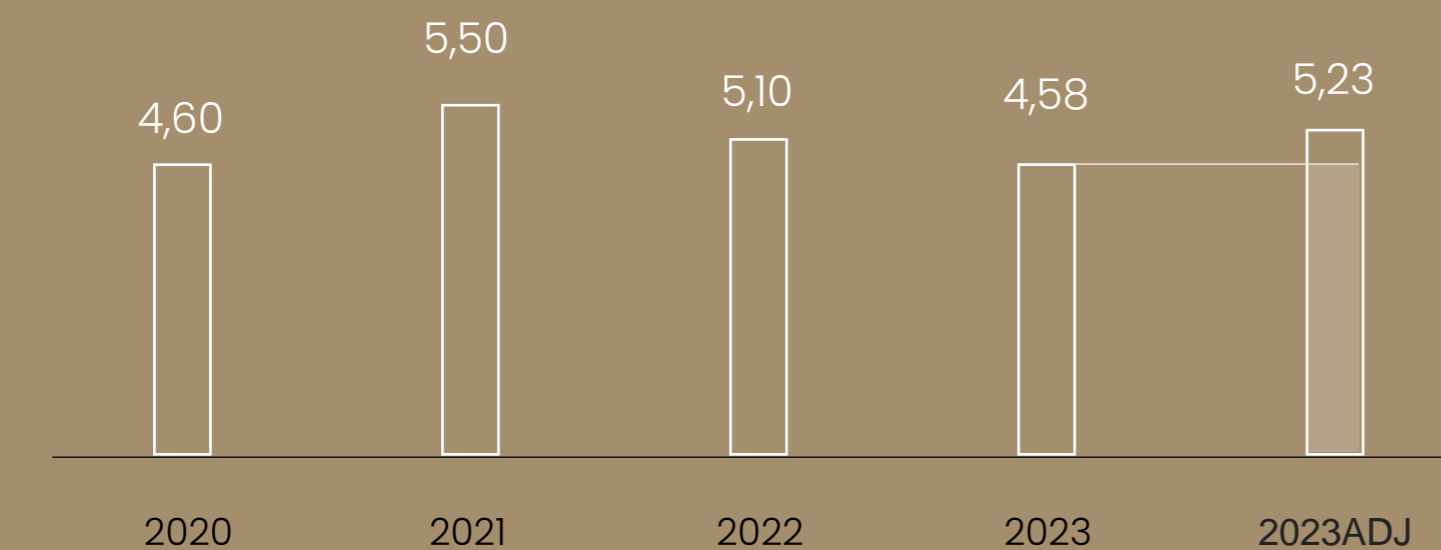
EBITDA

PLN million



Net profit

PLN million



THE RESULTS OF THE ENTIRE 2023 WERE INFLUENCED BY:

- One-off events:
 - the costs of introducing the company to the stock exchange and the costs of issuing series F, G, H resulted in a decrease in profitability
 - the results do not include one month of revenues and costs (January 2023) of Funeral Company "Klepsydra" sp. z o.o.
- The results include new costs related to the operation of the capital group that will not be present in 2022
- Additional costs related to the unification and optimization of the functioning of PUK Kraków - the effects of these activities should have a positive impact on the results in 2024

Pro-forma consolidated results of Klepsydra Group companies, presented under the PAS.

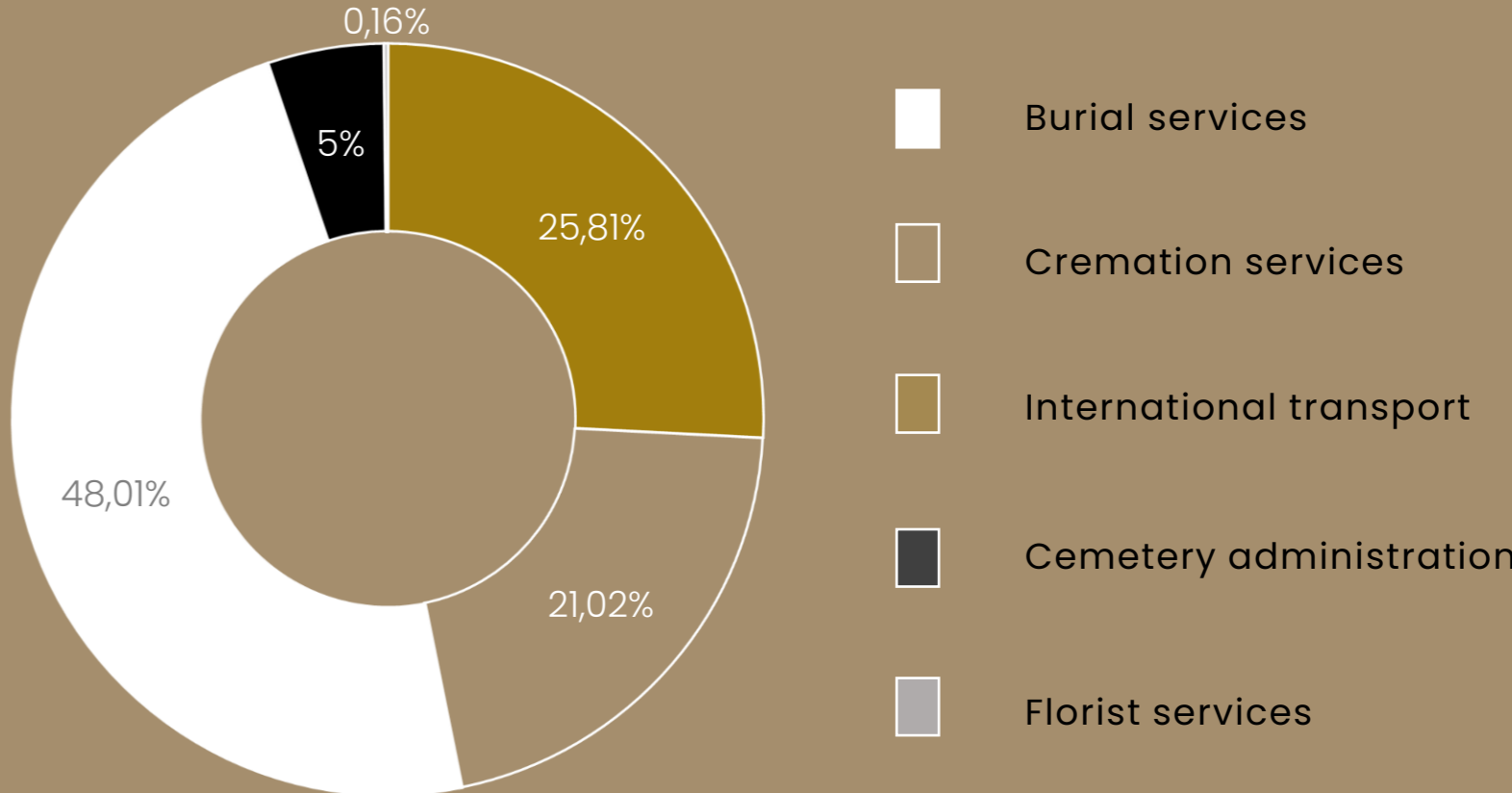
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Revenue diversification and structure in 2023

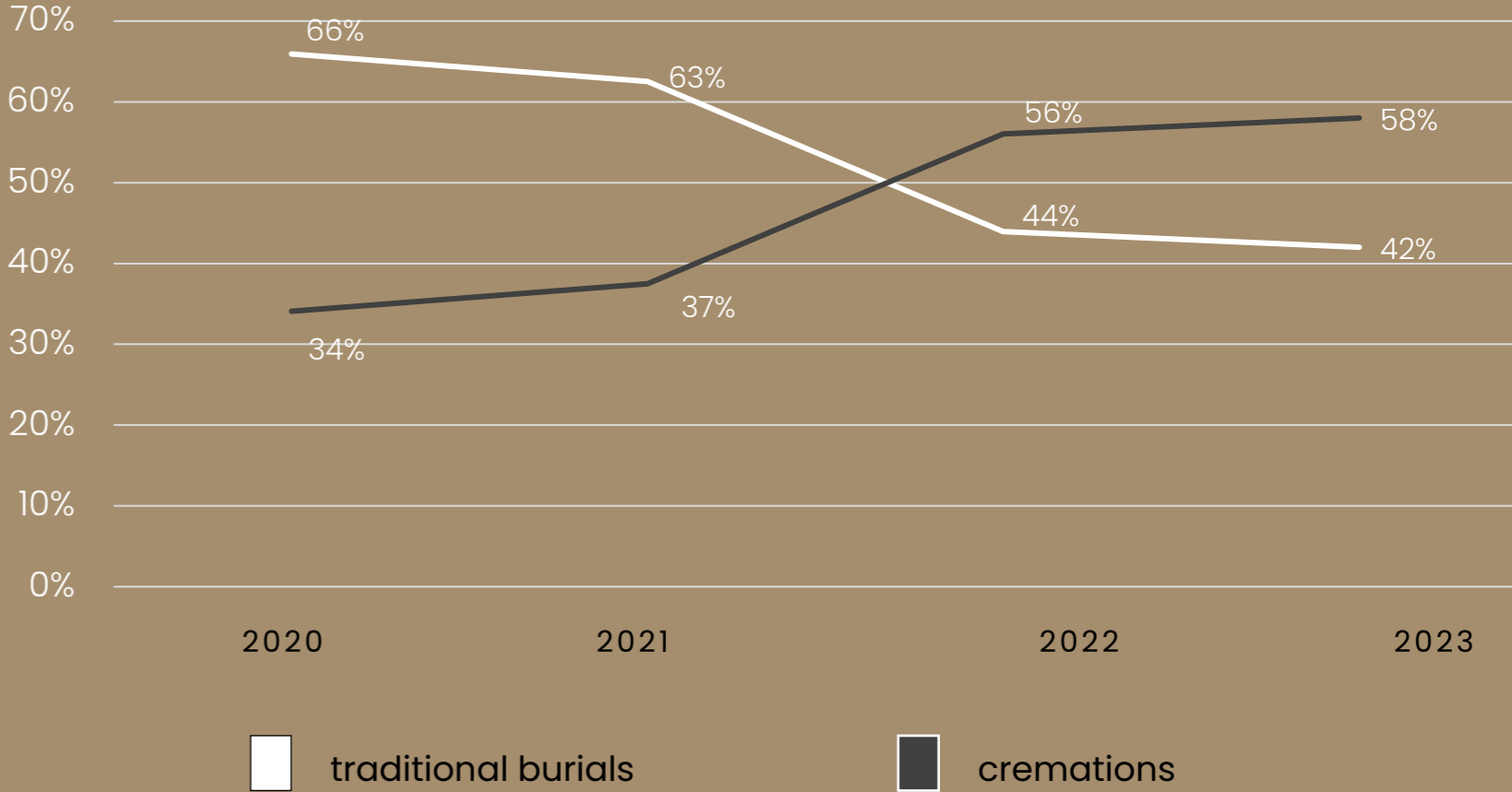
The Group's revenues are diversified

- Funeral services accounted for the largest share in the revenue structure of the Klepsydra Group in the period in question - over 48%. This is a significant increase due to the inclusion of PUK, which mainly provides this type of services, into the Klepsydra Group
- Historically, the Group has recorded an increase in the share of cremation in funeral services. Due to the takeover of PUK, the share of cremation decreased slightly in the Group's revenue structure and amounted to over 21%. The Group expects further growth in these services
- In total revenues, revenues from international transport carried out by Bongo International Funeral Services had a significant share, accounting for nearly 26%

Klepsydra Group revenue mix in 2023



Traditional burials vs. cremations



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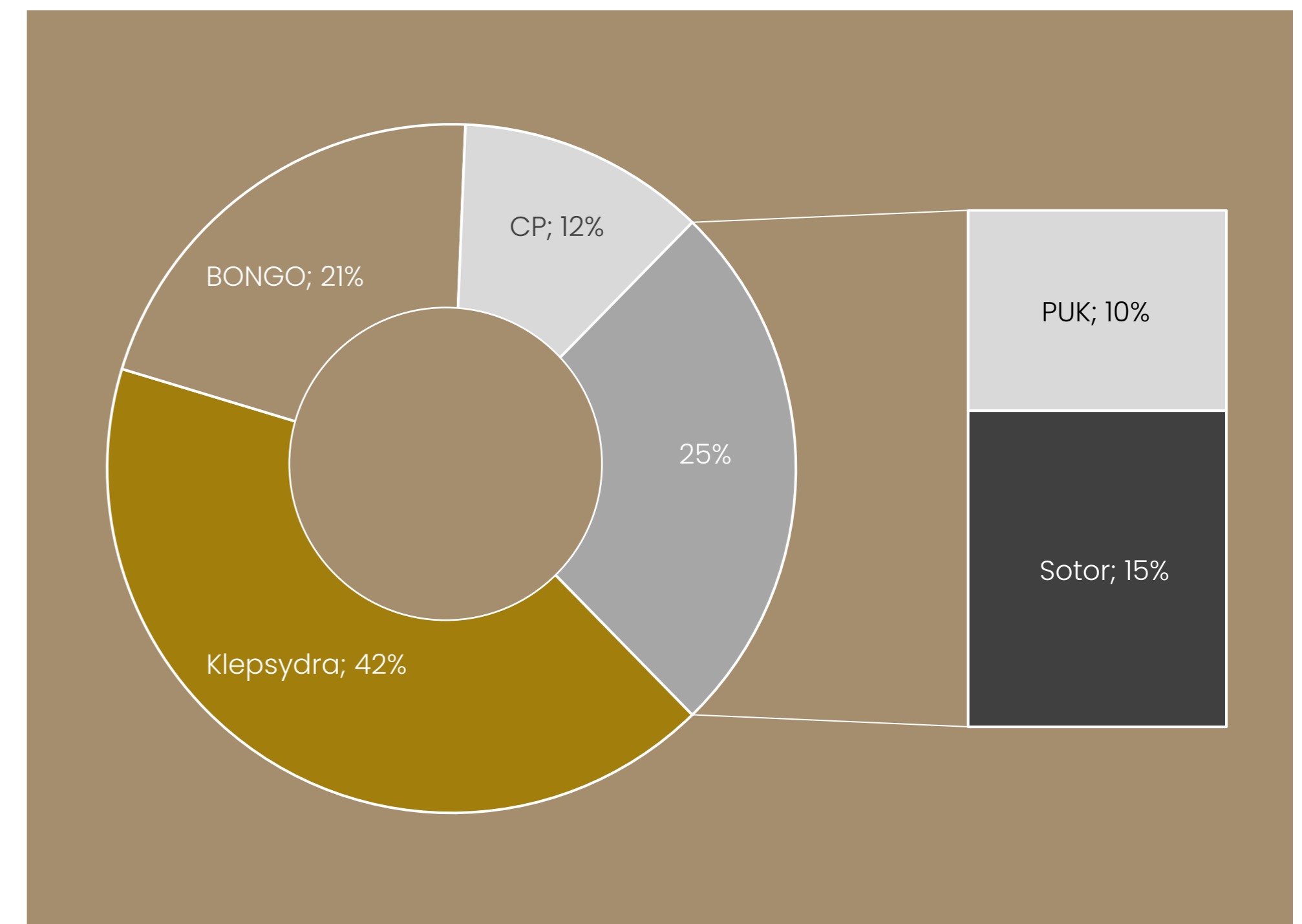
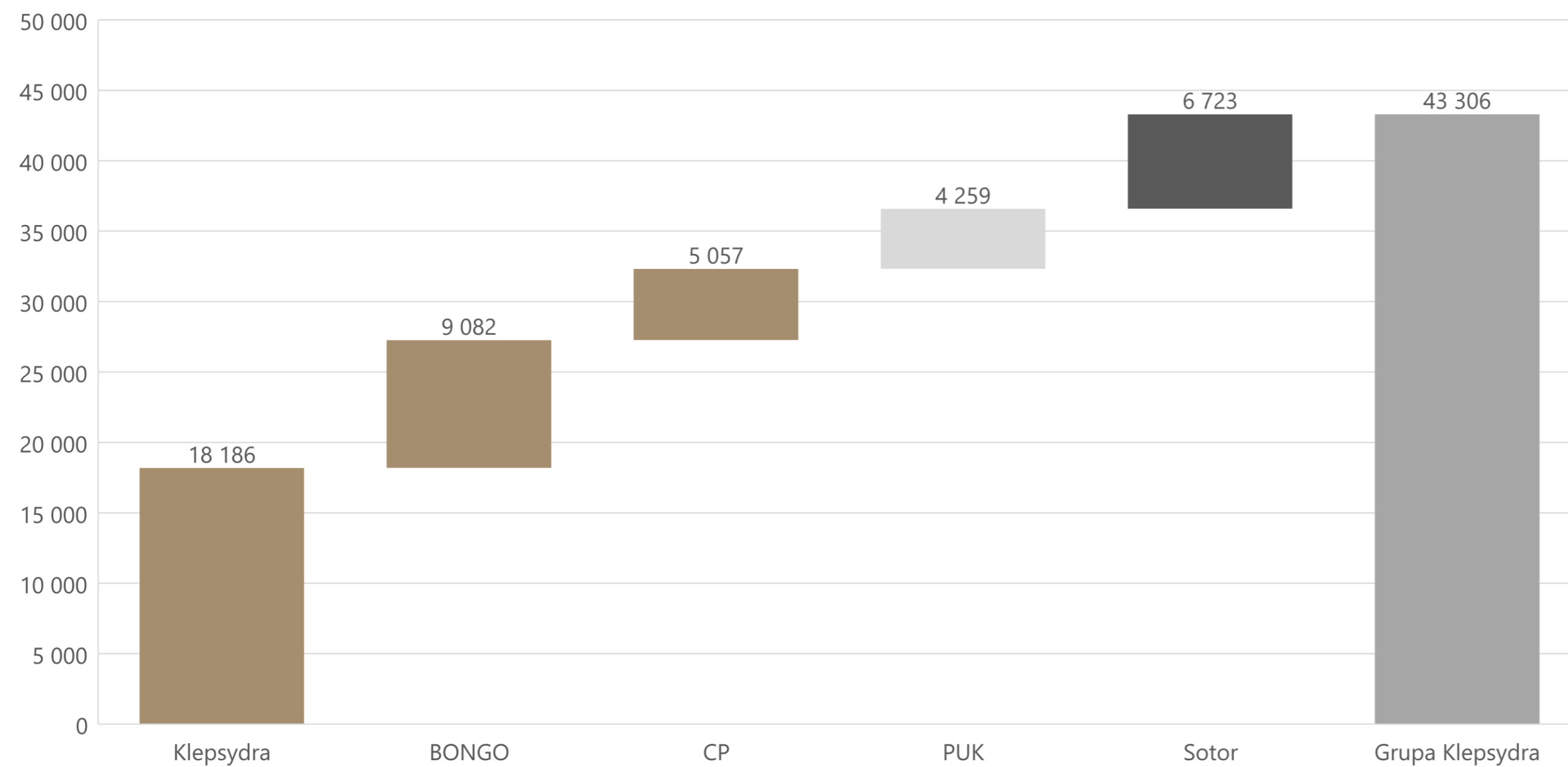


SUMMARY



Rapid growth in the number of services thanks to acquisitions, based on 2023 results

SIMULATION OF THE GROUP'S REVENUE FOR THE WHOLE 2023 INCLUDING ACQUIRED COMPANIES*



*calculations based on the separate financial statements of selected Group companies for 2023

Intensive 2024

FULL CONSOLIDATION OF NEW COMPANIES

Implementing Klepsydra Group's know-how and introducing centralised management mechanisms to achieve synergies, among others:

- Implementation of Klepsydra Group's proprietary sales management software and standardisation of other IT systems to reduce costs and improve the efficiency of sales processes.
- Introduction of centralised procurement mechanisms. Subsidiaries offer only centrally purchased goods, resulting in cost reductions, lower inventory costs and extended payment terms.
- Introduction of Group standards for sales, marketing and customer service processes.
- Centralised financial management.
- Optimisation of non-life and motor insurance.

ACQUISITIONS

- The group is intensively looking for new entities that would meet its expectations
- The Group's target are companies operating in large cities in Poland, with strong local brands and serving at least 1,000 funerals a year.

STRENGTHENING THE BRAND IN THE INDUSTRY

- The group plans to further strengthen its brand in the funeral industry in Poland, which will result in its higher recognition, also in the context of further acquisitions.
- Participation in trade fairs and conferences is planned:
 - Omega Funeral Forum IN Poznaniu
 - Funeral Fears Necroexpo
 - FIAT IFTA conference in Cracow
- Building a coherent visual identification of the Group, including maintaining of local brands

MARKET CHANGES

- Current stabilization of mortality in Poland
- Expected increase in mortality in the coming years (GUS)
- Changes planned by the government in the amount of the funeral allowance

OPTIMIZATION AND DEVELOPMENT OF SYNERGY EFFECTS

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Summary

LEADER OF THE FUNERAL MARKET IN POLAND

Klepsydra Group is the **leader in funeral services** in Poland and expects to further increase its market share.

CONSISTENT IMPLEMENTATION OF ANNOUNCED PLANS

The group consistently **fulfills its promises** - within half a year it completed two announced acquisitions of funeral companies.

FAVOURABLE MARKET

Demographic changes in our society and changes planned by the government in the funeral allowance **will support the further development** of the industry, including the company.

LEAP IN PERFORMANCE

With acquisitions, the Group expects its **financial performance to leapfrog** over the next few years.

CAPITAL RAISED

In total, since its debut on the WSE, the Group has acquired over **PLN 30 million** for further acquisitions.

DIVIDEND-PAYING COMPANY FROM 2025

The Group expects to **pay investors a dividend** of up to 20% of net profit. The first dividend would be paid as early as 2025 (from net profit for 2024).



GRUPA
KLEPSYDRA

THANK YOU FOR YOUR ATTENTION

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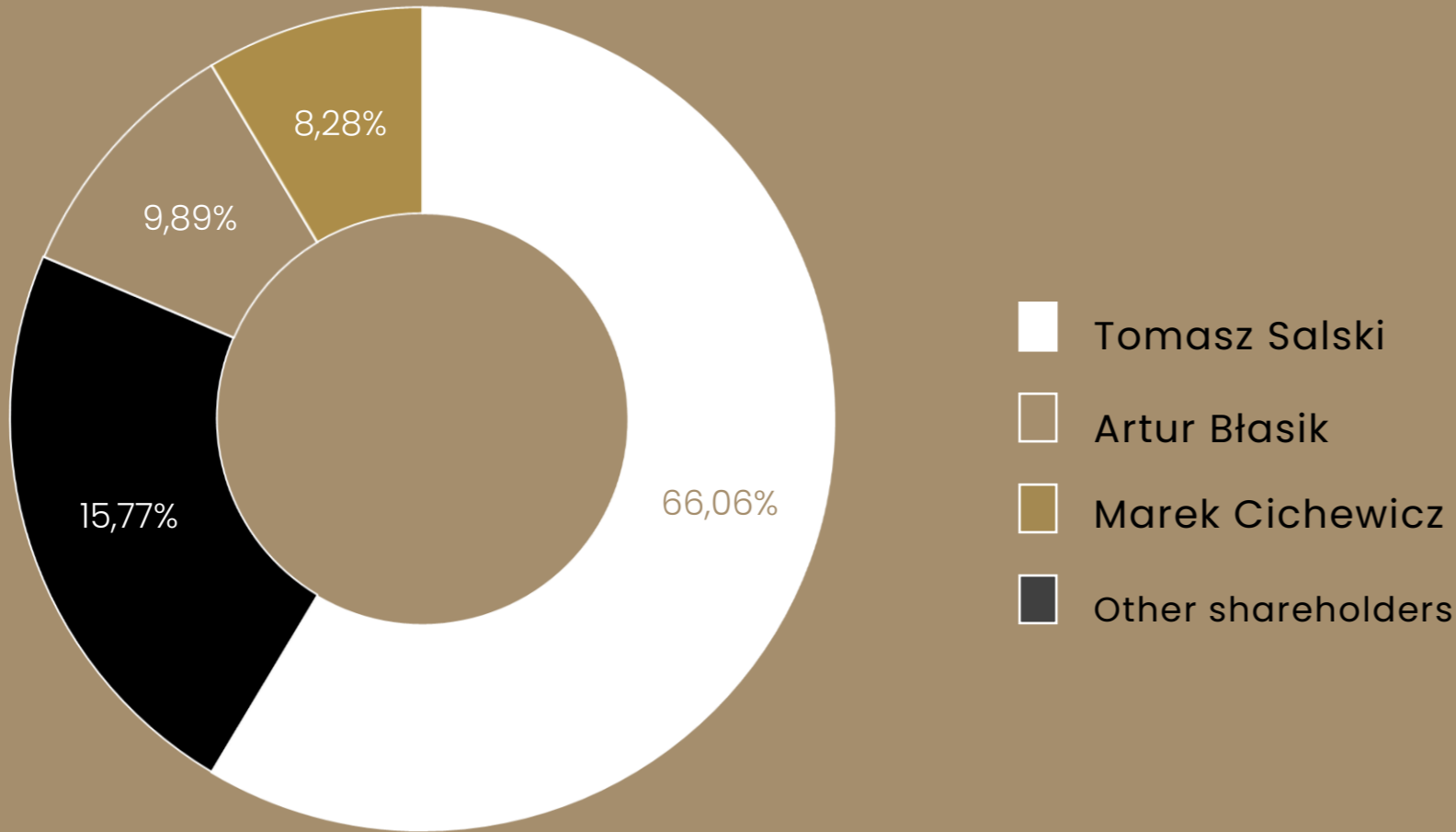
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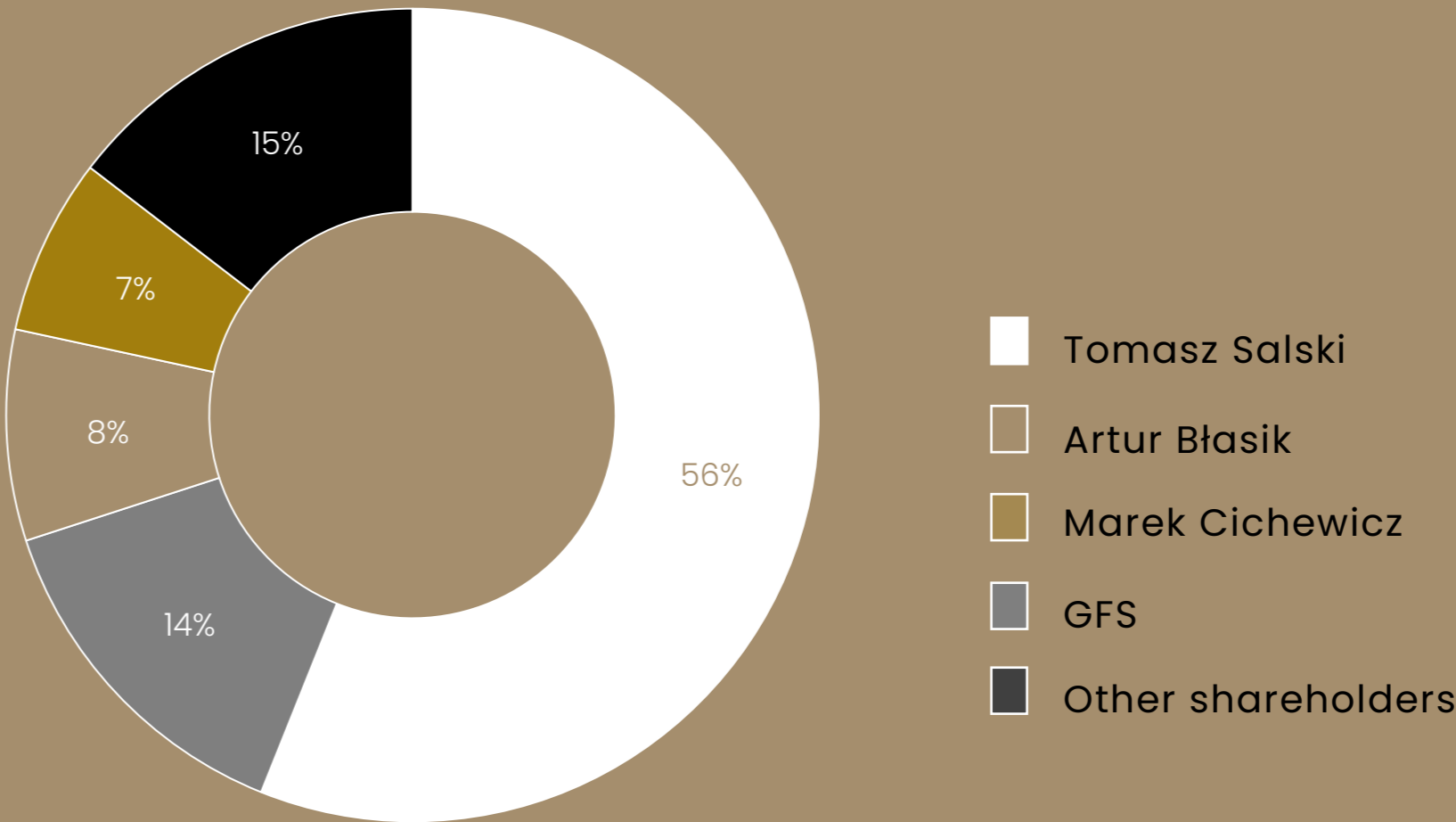
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Shareholders structure

SHAREHOLDERS STRUCTURE AT THE END OF 2023



SHAREHOLDER STRUCTURE AFTER THE ISSUE TO A NEW SHAREHOLDER



Shareholder	Number of shares	Share in equity
Tomasz Salski	13 376 947	66.06%
Marek Cichewicz	1 677 164	8.28%
Artur Błasiak	2 002 344	9.89%
Others	3 193 544	15.77%
SUM	20 249 999	100.00%

Shareholder	Number of shares	Share in equity
Tomasz Salski	13 376 947	56.07%
GFS	3 321 428	13.92%
Marek Cichewicz	1 677 164	7.03%
Artur Błasiak	2 002 344	8.39%
Others	3 478 852	14.58%
SUM	23 856 735	100.00%