

Łódź, 18 January 2024

GRUPA KLEPSYDRA RAISES OVER PLN 23 MILLION TO CONSOLIDATE POLISH FUNERAL MARKET

Grupa Klepsydra, the leader of the funeral market in Poland and the first company in this segment listed on the Warsaw Stock Exchange, has announced that on 18 January 2024 it concluded a binding agreement with Global Funeral Services Sociedad limitada with its seat in Barcelona, under which Global Funeral Services will acquire a total of more than 3.3 million new series H shares, representing nearly 14 percent of the Group's share capital. Grupa Klepsydra will thus raise nearly PLN 23.3 million for further acquisitions.

The main shareholders, Mr Tomasz Salski and Mr Marek Cichewicz, and the new investor, Global Funeral Services, have among others committed to a 5-year lock-up on the company's shares. Furthermore, the company will establish and follow a dividend policy, providing for the payment of a dividend at 20 percent of the annual profit, provided that it amounts to at least PLN 2 million.

The conclusion of the agreement by Grupa Klepsydra completes the process of raising funds to achieve the company's strategic goal which is to consolidate the Polish funeral market through further acquisitions. Since listing on GPW in June 2023, the Group has raised a total of PLN 30 million through two private placements of shares: the current one and another one closed in July 2023, where the company raised PLN 6.75 million.

The conclusion of the agreement by the Klepsydra Group ends the process of obtaining funds that will be used to implement the company's strategic goal, which is to consolidate the Polish funeral market through subsequent acquisitions.

"Grupa Klepsydra is a unique company on the Polish market, poised for dynamic growth, which our organisations in Spain have experienced by consolidating the domestic funeral market. We have for many years known each other with the main shareholders of the Group, Mr Tomasz Salski and Mr Marek Cichewicz, through our work for international funeral organisations. We recognise the prospects of Grupa Klepsydra and the credibility and professionalism of its founders, and we are certain that the company will achieve its strategic goals and succeed on the Polish market. We want to be part of that success," said **Jorge Viñas Costa, CEO of Global Funeral Services, SL.**

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. **GRUP VFV SL** is the leader of the Catalan funeral sector with a history of more than 300 years. **Cabré Junqueras SA** is the largest independent family-owned funeral company in Catalonia with an extensive network of funeral homes and more than 120 years of tradition. Both companies have several centuries of experience in the funeral segment

in Spain and a very strong track record in funeral company acquisitions. They manage the largest network of funeral homes (51 funeral homes), crematoria (15 crematoria) and cemeteries (23 cemeteries under full Group management and 297 cemeteries partially managed by the Group, totalling nearly 83,000 graves) in Catalonia and the Balearic Islands. In 2022, the Group completed 21,300 funerals and nearly 13,800 cremations. The Group's total revenue was €76.6 million and its EBITDA was €16.9 million in 2022.

"It is with great pleasure that I welcome on board a new investor, Global Funeral Services, which has several hundred years of experience in the funeral industry, including more than 20 years of experience in consolidating the funeral market in Spain. By signing the investment agreement we not only raise funds for further acquisitions but also acquire an investor with enormous expertise, who has successfully completed a similar journey in its country. We will certainly draw upon this experience. I am positive that our cooperation will provide tangible benefits to both companies," said **Marek Cichewicz, President of the Management Board** of the holding company **Grupa Klepsydra S.A.**

Under the agreement, the company and the new investor agreed, among others, that:

- 1) the Company's General Meeting shall adopt a resolution on 19 January 2024 to increase the share capital by issuing H shares and a resolution to appoint one person designated by the Investor to the Company's Supervisory Board,
- 2) the Company shall offer the Investor 3,321,428 series H ordinary bearer shares of the Company at an issue price of PLN 7.01 per share, representing in aggregate 13.92% of the Company's share capital,
- 3) the Investor shall take up the offered series H shares and pay for them with a cash contribution in the total amount of PLN 23,283,210.28; the cash contribution shall be paid in two tranches:
 - the amount of PLN 14,000,000.00 shall be paid into the Company's bank account immediately after the conclusion of the Agreement, the adoption of the Resolution and the conclusion of the share acquisition agreement,
 - the amount of PLN 9,283,210.28 shall be paid immediately following the dematerialisation of the series H shares taken up by the Investor or the registration of the agreed amendments to the Company's Articles of Association (whichever occurs first]),
- 4) the Company also informs that, pursuant to the contract, the parties have agreed that:
 - for a period of 5 years, both the main shareholders (Tomasz Salski and Marek Cichewicz) and the new investor will not sell the company's shares (subject to exceptions, i.e. the possibility of selling no more than 200,000 shares per year by each party or selling shares to an entity related to the transfer to this entity of the obligation not to sell the company's shares, or sale of shares with the consent of all other parties to the Shareholders' Agreement),
 - they shall comply with the Company's dividend policy providing for the payment of dividends at 20% of the annual profit, provided that it amounts to at least PLN 2 million.

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KLEPSYDRA

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ABOUT GRUPA KLEPSYDRA

Grupa Klepsydra S.A. (WSE: KLE) is the leader of Poland's funeral market and the only company in this industry listed on the Warsaw Stock Exchange (WSE). Grupa Klepsydra is a provider of comprehensive funeral services in Poland – it is one of few providers of funeral and cremation services in Poland at more than one location as well as a provider of international transport of the deceased.

The strategic objective of Grupa Klepsydra is to become a leader in the funeral market in Poland through consolidation of the domestic funeral services market. Grupa Klepsydra expects to build a strong group of companies over the next 5 years with about 20 entities operating in significant local markets in Poland, and aims to hold up to 10% share in this highly fragmented market.

Grupa Klepsydra is a holding company which currently holds four companies: Firma Pogrzebowa "Klepsydra" Sp. z o. o., which provides funeral, cemetery and cremation services; Bongo Sp. z o. o., which specialises in cross-border transport of the deceased and their ashes; Centrum Pogrzebowe Sp. z o. o, which is running an investment project to build and manage a crematorium and cemetery in Kraków; and Przedsiębiorstwo Usług Komunalnych Sp. z o. o. based in Kraków (PUK), a provider of funeral and cremation services, of which the Group acquired 67.62% in June 2023.

Grupa Klepsydra is a modern, family-owned company with traditions. It has more than 60 years of experience in the funeral industry in Poland, and its success is created by managers with several decades of experience in the business.

With its extensive range of services, broad in-house infrastructure and many years of experience, Grupa Klepsydra provides services for both individuals and business customers (cemetery management and cremations).

Grupa Klepsydra's revenue was close to PLN 29.6 million in 2022, operating profit PLN 6.5 million, and net profit PLN 5.1 million. Grupa Klepsydra currently employs more than 70 people.

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