

Łódź, 11 September 2024

GRUPA KLEPSYDRA WITH HIGH GROWTH IN REVENUE AND EBITDA IN 1H 2024

THE COMPANY IS CONSISTENTLY IMPLEMENTING THE ANNOUNCED STRATEGY OF CONSOLIDATION OF THE POLISH FUNERAL MARKET

Grupa Klepsydra, the leader of the funeral market in Poland and the first company from this segment listed on the Warsaw Stock Exchange, published good financial results for H1 2024, which confirm the validity of the announced development strategy. The revenues of the companies from the capital group in the discussed period amounted to almost PLN 21.1 million, which means an increase of 24% compared to H1 2023, while EBITDA amounted to PLN 4.6 million, which is almost 16% higher than in the same period of the previous year.

The number of services performed by the Grupa Klepsydra increased in H1 2024. The Group conducted a total of 1,568 burials (1,358 in H1 2023), 4,311 cremations (4,219 in H1 2023) and handled 301 orders for international transport of the deceased (320 in H1 2023).

It is worth noting that these results were achieved in a declining market, which, according to the forecasts of the Grupa Klepsydra, is heading towards stabilization after a significant increase related to the pandemic. The average market decline in the first half of 2024 was 2.3%. According to data presented by the Polish Central Statistical Office (GUS), mortality in Poland is expected to increase systematically over the next 20 years. Thus, the market will support the continued development of the company.

Highlights of Q2 2024:

- **Signing of the investment agreement and implementation of the takeover of PUK USKOM from Szczecin – the sixth funeral company entered the capital group.**
- **Introduction of management changes in PUK Kraków – appointment of a new management board and supervisory board.**
- **Further consolidation of new companies with the Grupa Klepsydra and search for further companies for takeover is underway.**

Marek Cichewicz, President of the Management Board of the holding company **Grupa Klepsydra**, commented: "The second quarter of 2024, as well as the entire first half of this year, has been an intense time for us, associated not only with the further development of the Klepsydra Group's activities and the integration of new companies into the capital group but also with the realization of another acquisition. We were pleased to welcome the sixth funeral company to our group – PUK USKOM from Szczecin. Thus, we have debuted in a new market for us. Our strategy is based on the consolidation of the Polish funeral market, which means that further acquisitions are just a matter of time. The growth of our financial results in the first half of this year reflects not only the organic development of the company and its strength but also the impact of the acquired companies."



FINANCIAL RESULTS

Grupa Klepsydra is focusing on the implementation of its growth strategy based on the consolidation of the fragmented funeral market in Poland. The Group is steadily generating good financial results. Its modern business model with comprehensive services and proprietary infrastructure combined with high quality of customer service and further expansion of the Group will ensure improving performance in the coming years.

The financial results of Grupa Klepsydra are shown in the table below

<i>mln PLN</i>	H1 2024	H1 2023*	Change (%)
Przychody	21,1	17,1	24,0%
EBITDA	4,6	4,0	15,6%

The financial results are presented under the PAS.

** For informational purposes, the financial data for 2023 were prepared assuming the consolidation of all revenues and costs of the Grupa Klepsydra companies together with the PUK company from January 1, 2023.*

When analyzing the consolidated financial results, it is important to consider that, in accordance with Polish Accounting Standards, the Grupa Klepsydra is required to amortize the value of acquired companies over the next 20 years in its financial results. Amortization of goodwill is an accounting procedure that does not directly affect the company's cash flows. It is a method of expense recognition related to the acquisition of intangible assets over time, rather than an actual cash outlay. Amortization reduces net income and operating profit in the consolidated financial statements; however, it does not diminish the actual cash available within the company, which is crucial for assessing the financial condition of the Grupa Klepsydra and its strategic plans (consolidation of the funeral market).

As of June 30, 2024, the amount of amortization for acquired companies was PLN 1.094 million and will increase with the acquisition of each additional funeral company. Additionally, the net result and operating profit were also affected by the costs of the holding company incurred over the six months of the first half of 2024. In contrast, for the majority of the first half of 2023, there were no costs associated with the operation of the capital group. The coming years should be more comparable in this respect.

Taking into account adjustments related to the amortization of acquired companies and the operation of the holding company, the net profit for the first half of 2024 would have amounted to PLN 2.5 million, while the operating profit would have been PLN 2.8 million.

DIVIDEND-PAYING COMPANY

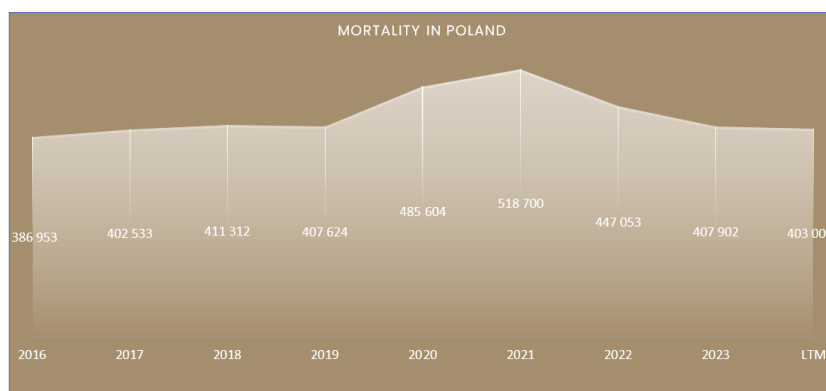
In accordance with the published strategy, the company, the company plans to regularly pay dividends to investors. In line with its dividend policy, Grupa Klepsydra expects to pay investors a dividend of up to 20% of net profit from 2024 onwards. The first dividend would be paid as early as 2025 (from net profit for 2024).



THE FUTURE MARKET WILL SUPPORT THE DEVELOPMENT OF THE GROUP

The market continues to stabilize at pre-pandemic levels. In the first half of 2024, the market recorded a decrease of only 2.3% compared to the same period in 2023. The best-behaving local market in the Group's geographical structure was the Bydgoszcz-Toruń region, where SOTOR operates.

GUS data show that over the next 20 years, mortality will systematically increase and in 2046 it may reach 500 thousand deaths per year. This is related to the systematic increase in the number of people aged 65 and over and the fact that from 2025, many generations born after World War II will also reach the age of old age (80 years and over).



MORTALITY IN POLAND IN H1 2024 (number of deaths)			
	H1 2024	H1 2023	Change %
Poland	202 979	207 830	-2.3%
Cracow	3 971	3 992	-1%
Bydgoszcz-Toruń Region	4 027	4 011	0%
Łódź	4 716	4 825	-2%
Szczecin	2 446	2 486	-2%

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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 in terms of number of services.

Grupa Klepsydra is a holding company which holds six companies: Firma Pogrzebowa "Klepsydra", which provides funeral, cemetery and cremation services; Bongo Funeral Services, which specialises in cross-border transport of the deceased and their ashes; Centrum Pogrzebowe, which is running an investment project to build and manage a crematorium and cemetery in Kraków; Przedsiębiorstwo Usług Komunalnych in Kraków (PUK), Sotor from Toruń, and Przedsiębiorstwo Usług Komunalnych 'USKOM' from Szczecin which provide funeral services. The last of these companies will formally join the Grupa Klepsydra after registration in the National Court Register.

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 35.2 million in 2022, and net profit PLN 4.6 million. The Group's companies currently employ over 130 people.

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