

Łódź, 26 November 2024

## **GRUPA KLEPSYDRA DYNAMICALLY INCREASES ITS POTENTIAL THE COMPANY TAKES OVER FUNERAL COMPANIES AND INTRODUCES NEW SOLUTIONS TO THE MARKET**

Grupa Klepsydra, the leader of the funeral market in Poland and the first company in this segment listed on the WSE, published very good financial results for Q1-Q3 2024, which confirm the validity of the adopted development strategy. Both revenues and EBITDA generated by the companies in the capital group in the discussed period recorded a more than three-fold increase compared to the same period last year and amounted to PLN 31.8 million at the revenues level, while at the EBITDA level PLN 5.1 million.

The number of services provided by the Grupa Klepsydra increased in the period of Q1-Q3 2024. The Group carried out a total of 2,349 burials (1,905 in Q1-Q3 2023; an increase of 23%), 6,709 cremations (6,461 in Q1-Q3 2023; an increase of 4%) and handled 484 orders for international transport of the deceased (481 in Q1-Q3 2023; an increase of 1%).

These results were achieved in a declining market, which is currently, according to the Grupa Klepsydra forecasts, tending to stabilize after a large increase related to the pandemic. According to data presented by the Central Statistical Office, the mortality rate in Poland will systematically increase over the next 20 years. Thus, the market will support the further development of the company.

### **Key events:**

- Acquisition of PUK USKOM from Szczecin and Styks from Lublin. Currently, there are 8 companies in the capital group.
- Grupa Klepsydra has opened two ecological quarters called "Trees of Memory" in the cemeteries it manages, which are the only places in Poland for individual ecological burials - the cemeteries are located in Podgórk Tynieckie and in Łódź.
- Grupa Klepsydra, as one of the few funeral companies in Poland, introduced the option of paying for a funeral in installments
- The Group develops modern technologies – the company signed an agreement with Polska Press, thanks to which people purchasing obituaries in newspapers belonging to Polska Press will be able to immediately purchase eKlepsydra.

*„Since our listing on the Warsaw Stock Exchange, four funeral companies have joined our capital group, significantly increasing not only our geographical coverage, but also building our potential in other regions of Poland. However, acquisitions are not the only thing that is important to us. We are introducing new solutions to the market, such as ecological burial sites at the cemeteries we manage in Podgórk Tynieckie and in Łódź, which are the only places in Poland with individual ecological burials. We are also developing new technologies in the industry. We have signed a cooperation agreement with Polska Press, which owns many local newspapers, thanks to which our eKlepsydra product will be available to readers of regional editions. This is a huge step forward in the development of this product, of which we are very proud”* said **Marek Cichewicz**, CEO of Grupa Klepsydra holding company.



## 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>PLN million</i>	<b>1-3Q 2024</b>	<b>1-3Q 2023*</b>	<b>Change (%)</b>
<b>Revenues</b>	31,8	8,2	+287%
<b>EBITDA</b>	5,1	1,1	+363%
<b>Adjusted net profit*</b>	3,0	0,6	+392

*The financial results are presented under the PAS..*

*\* Adjusted net profit is described in the text below.*

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).

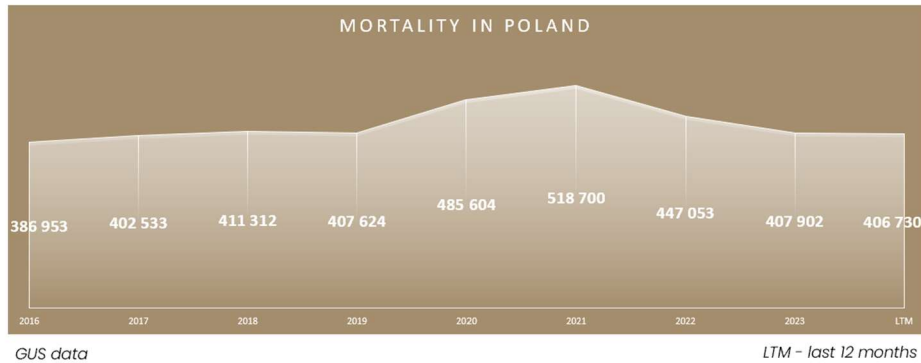
As of September 30, 2024, the amount of depreciation of the acquired companies amounted to PLN 1.651 million and will increase with the purchase of each new company, in accordance with the strategy of building a Capital Group based on the consolidation of the funeral industry. Additionally, the net result and operating profit in 2024 were also affected by the operating costs of the holding company generated in 9 months of 2024. However, for most of the first half of 2023, no costs related to the functioning of the capital group were generated. The following years should be more comparable in this respect.

## THE FUTURE MARKET WILL SUPPORT THE DEVELOPMENT OF THE GROUP

The market continues to stabilize at pre-pandemic levels. The decline in mortality across Poland in the first three quarters of 2024 remained very similar to the three quarters of 2023. The best-performing local market in the Group's geographic 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 1-3Q 2024 (number of deaths)			
	1-3 Q 2024	1-3 Q 2023	Change %
Poland	298 773	299 945	0%
Cracow	5 697	5 829	-2%
Bydgoszcz-Toruń Region	5 747	5 832	-1%
Łódź	6 818	7 003	-3%
Szczecin	3 365	3 570	-6%
Lublin Region	5 097	5 409	-6%

GUS data

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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). The Group provides comprehensive funeral services, offering its clients support at every stage of the funeral. The strategic goal of the company is to consolidate the Polish funeral services market.

Grupa Klepsydra is a holding company which holds eight:

1. **Firma Pogrzebowa "Klepsydra"**, which provides funeral, cemetery and cremation services;
2. **Bongo Funeral Services**, which specialises in cross-border transport of the deceased and their ashes;
3. **Centrum Pogrzebowe "Klepsydra"**, which is running an investment project to build and manage a municipal



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*cemetery in Kraków;*

4. **eKlepsydra** - the first online service in Poland that allows you to easily inform others about the death of your loved ones and the date of the funeral ceremony.

*The companies providing only funeral services:*

5. **Przedsiębiorstwo Usług Komunalnych in Kraków (PUK)**,
6. **Sotor** from Toruń,
7. **Styks** from Lublin,
8. **Przedsiębiorstwo Usług Komunalnych 'USKOM'** from Szczecin.

*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).*

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