

KGI Calls on OKD to Launch Competitive Bidding for the Sale of Claims Against Bakala

Krupa Global Investments calls for the realization of OKD assets by conducting a sale of the claims of OKD against Zdeněk Bakala. These are several claims in the total amount of tens of billions of Czech Crowns. To acquire the highest possible yield for the benefit of creditors of the insolvent debtor, KGI addressed to Lee Louda, the OKD trustee in bankruptcy, and to the company Správa pohledávek OKD, a.s. (formerly OKD, a.s.) on 7th August 2018 a motion to launch competitive bidding to sell the claims of Správa pohledávek OKD, a.s. against Zdeněk Bakala.

Krupa Global Investments a.s. deems these steps necessary to satisfy creditors of Správa pohledávek OKD, a.s. and to increase the value of the above sued claims. At the same time KGI demonstrated their interest in participating in this competitive bidding.

Moreover, Krupa Global Investments a.s. calls on the trustee in bankruptcy and Správa pohledávek OKD to take all possible steps to secure the property of the respondent and debtor Zdeněk Bakala and to prevent the transfer of his assets away from the Czech Republic.

There is a reasonable suspicion that the assets of Zdeněk Bakala may originate from criminal activity that may include breach of trust, tax evasion, inflicting bankruptcy, among other offences. Investigations by relevant authorities are ongoing. The assets of Zdeněk Bakala in the Czech Republic include the company Luxury Brand Management, through which he controls luxury boutiques in Pařížská Street, the publishing company Economia and numerous others. Furthermore, his assets include valuable real estate with an estimated value of over a billion CZK.

Some of Mr. Bakala's most valuable real estate holdings include a building at the Loreta Square which was supposed to serve as the future Václav Havel Library, a luxurious residence in Modrava, and the premises of Forum Karlín which according to recent information has been put on sale by Zdeněk Bakala. Mr. Bakala also owns a great deal of land in the Ostrava Region.

Pavol Krupa, the owner of Krupa Global Investments, has long been engaged in advocating for OKD, its shareholders, its creditors, its employees and the entire Ostrava region by tirelessly working on their behalves to achieve compensation of tens of billions of Czech Crowns worth of damages caused by the unprofessional acts in particular of members of the Board of Directors and the Supervisory Board of OKD and its then parent company New World Resources.

Krupa Global Investments, focuses particularly on opportunistic growth opportunities, activist investment and the exploitation of compelling market opportunities across the world. KGI is a continuation of Pavol Krúpa's activities with the Arca Capital Group. The objective is to separate the opportunistic growth business and the activist investment method from the regulated and licensed activities of Arca Capital Group.

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About Krupa Global Investments:

Krupa Global Investments is a private investment company focusing primarily on the field of opportunity business. We execute projects applying the so-called activist approach with the aim to remedy and eliminate steps taken by management having a negative impact on the company. We do this, aiming to achieve a positive change in strategy, financial structure, or management. Our vision is to advocate the rights of ordinary shareholders, increasing the value of publicly traded companies. We select investment opportunities having the potential of increasing their value by tens of per cent annually with regard to their quality and the dynamic growth of the company.

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