

KGI announces position in Groupon, ready to speak with Mr. Chapman and other shareholders, best outcome would be sale

Krupa Global Investments (KGI) announces position in Groupon, daily-discount deal ecommerce business. KGI currently owns roughly 1m shares of Groupon, and built its position in recent weeks.

KGI will speak with all relevant shareholders including Mr. Chapman about the strategy for Groupon turnaround. We agree with extensive stock repurchase program based on good cash position of Groupon, but we think that **best strategy will be to proceed with the sale of the company to bigger partner who can leverage better on huge user and merchant base. Recent management showed no signs of turnaround strategy with vision and goal and we don't see subscription plan as sufficient resolution. KGI suggests that best outcome would be to approach sale of Groupon as mentioned above.**

"We see Groupon shares undervalued despite challenges it faces in US market due to very competitive ecommerce business environment. Groupon has more than 45m active users and worked with more than 1m merchants to date, small debt and strong cash position. In my opinion, companies such Alibaba, Booking.com or IAC might use its user base more effectively. Groupon currently trades at 3.5x 2021 EBITDA numbers which is cheap in our opinion" said Pavol Krupa, chairman of Krupa Global Investments.

About Krupa Global Investments:

Krupa Global Investments is a private firm with a focus on investment opportunistic growth. It is named after its founder and chairman, Pavol Krupa. The firm takes an activist approach with the aim of remedying and eliminating management actions that have a negative impact on companies, with the aim of achieving a significant positive change in strategy, financial structure or management. The company only selects investment opportunities with the potential to appreciate in the tens of percent annually due to their quality and dynamic growth. Krupa Global Investments focuses on the investments in shares in European and American stock markets and currently has approximately €1,7 billion in assets under management.

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