

Press release
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Zhoda has doubled the capacity in its organic winery in Dalmatia

Zhoda Investments' ("Zhoda") recent acquisition SAN, an organic wine producer located on the Dalmatian coast of Croatia, has successfully doubled the capacity in its winery to a yearly production of 150,000 bottles. This is part of Zhoda's business transformation strategy towards larger volumes, more added value and increased profitability and a step towards reaching the vision of 1 million bottles of premium wine per year.

SAN started its operations by planting a vineyard ten years ago with the objective of selling local grapes to other wineries. Three years ago, the company constructed a basic winery that could process part of its own harvest and in 2016 it produced 67,000 bottles of wine, but still sold part of its harvest as grapes. In 2017, SAN was able for the first time to process one hundred per cent of its grape harvest in its own winery. Production in 2017 amounts to 100,000 bottles.

As SAN's vineyard matures, harvests are expected to increase giving a total production of over 200,000 bottles per year. The current winery could be upgraded through limited investments in additional tanks. To achieve the vision of 1 million bottles, Zhoda is planning to invest in new vineyards, source grapes and construct a new modern winery, which up to fifty per cent could be financed by EU-subsidies targeting Croatia's wine sector.

"We are very pleased that this first step in our business transformation of SAN has been completed so soon after the acquisition. Doubling the capacity has made it possible for SAN for the first time to process all of its harvest in order to sell wine under its own label instead of selling grapes. In addition, the new equipment allows us to introduce new products and further enhance the quality and brand of our wines. The introduction of 5,000 liters of rosé this year is an example of this", says Robert Karlsson, CEO of Zhoda Investments.

Tourism in Croatia in 2017 is up by as much as 30 per cent compared to last year. This is an astonishing growth that continues to drive demand for premium local wines in major cities such as Zagreb, Split and Dubrovnik. Zhoda is currently developing a new sales and distribution strategy to target these markets.

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About Zhoda Investments

Zhoda Investments invests in selected unlisted European ventures and drives growth and profitability through active ownership and an entrepreneurial approach. Zhoda holds 80 per cent in a Dalmatian organic winery with a 47 hectare state of the art vineyard with local grapes. The group also holds a 45 per cent in the Lelyaki oil field in Ukraine with 2P proven and probable oil reserves of 8 million barrels net to the company. Zhoda Investments is actively pursuing new investments. The company's shares are traded on Pareto Securities OTC. For more information, visit www.zhodainvestments.com.

This is an English translation of the Swedish original. In case of discrepancies, the Swedish original shall prevail.