

Press release
Stockholm, 10 January 2020

Operational update from the wine operations

Zhoda Investments (“Zhoda”) announces an operational update on the wine operations located in the coastal region of Dalmatia in Croatia. The company reached several important milestones in 2019, including significantly increased sales, a successful harvest and launch of the Merga Vlcta brand from the second winery on the island of Korcula.

Sales

Sales for 2019 amounted to 45,000 bottles, which is an increase by 100 per cent compared to 2018. The sales strategy focusing on organic wines made on indigenous grapes has proven successful. Considering that the Testament brand was launched only in 2018, the company is very glad that it in a relatively short period of time has managed to reach sales volumes that other wineries have achieved only after a time span many times that.

During 2020, it is Zhoda’s objective to increase sales in Croatia through a strengthening of the brand, stronger relationships with the distributors and additions to the product portfolio. New types of wines also allow for the company to start selling wines through retail, that is supermarkets and wine boutiques. To date, almost all sales have been made through the HORECA segment (hotels, restaurants and cafés). Testament Winery is also forming partnerships with hotels and tourist agencies in order to increase the number of visitors to the winery where guests are offered to taste and buy wines, which brings revenues with higher margins. The company has also taken important steps in the long-term work in establishing exports sales.

Harvest

Weather conditions in 2019 were favorable and gave a good balance between the quantity and quality of the grapes. The harvest in Testament Winery’s organic vineyard amounted to 230 tons, which is 80 per cent higher than in 2017 but lower than the record year 2018 where the harvest amounted to 350 tons due to very favorable weather conditions.

Wines at Systembolaget

As a service to the shareholders and other wine enthusiasts in Sweden the company has arranged sales of the following wines through Systembolaget’s ordering segment.

Testament Babic 2017 (red), article number 73669
Testament Posip 2018 (white), article number 74023
Merga Victa Posip 2018 (white), article number 72574

The wines can be ordered at systembolaget.se or in your local store.

Zhoda will provide further operational updates during 2020.

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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 owns Testament Winery, an organic winery in Dalmatia with a 47-hectare state of the art vineyard mainly producing red wine from the local Babic grape. Zhoda is also the owner of Black Island Winery, a winery on the Dalmatian island of Korcula that produces white premium wines from the indigenous Posip grape under the brand Merga Victa. The group also holds a 45 per cent interest 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. 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.