

Press release
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Zhoda Investments makes add-on acquisition for white wine in Dalmatia

One year ago, Zhoda Investments ("Zhoda") acquired 80% of an organic winery producing primarily red wine from the Babić grape on the Dalmatian coast of Croatia. Zhoda has now completed an add-on acquisition for production of premium white wine on the Dalmatian island of Korčula, where the popular indigenous grape Pošip was discovered nearly 200 years ago.

"Pošip is a genuine Dalmatian grape and a real summer favorite. Owning a winery in the heart of Pošip country is an excellent base for creating a unique brand. Our strong local network enabled us to make this transaction at a very attractive price. Producing white wine on Korčula nicely complements our existing production of red wines from the Babić grape", says Robert Karlsson, CEO of Zhoda Investments.

The acquisition cost for the assets consisting of land, buildings and equipment amounted to approximately SEK 3.5 million. The buildings cover 2 500 square meters and the equipment has an initial capacity of 140 thousand bottles. The winery previously belonged to an old Yugoslav co-op where local grape farmers produced wine under a wide and unfocused portfolio of brands.

There is no vineyard connected to the winery so grapes will be acquired from the local grape farmers in the village of Smokvica, with a yearly harvest of 1 000 tons from 100 hectares. Zhoda has recently recruited one of Dalmatia's leading experts on wines from the Pošip grape. He is a native of the village and has strong ties with the local farmers.

The acquisition is a solid complement to the existing production of red wine, providing synergies within product range, marketing and sales as well as production expertise.

The acquisition is an important step towards reaching Zhoda's vision of an annual production of 1 million bottles of quality wine per year. The capacity and investments can be scaled up as the wine production and sales are developed. Zhoda assesses that it has good opportunities to finance up to 50% of new investments in buildings and equipment through subsidies from EU programs specifically targeting the Croatian wine sector.

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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 producing red wine from the local Babić grape. Zhoda also owns a winery on the Dalmatian island of Korčula that produces white premium wines from the indigenous Pošip grape. 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.