

Press release
Stockholm, 1 June 2022

Zhoda Investments publishes its annual report

Zhoda Investments (“Zhoda”) publishes its annual report for 2021. The company records a strong growth and improved profitability for the year.

“Despite challenging marketing conditions in 2021, Zhoda Investments has recorded a strong growth and a positive operating result of SEK 4.5 million. The sales of bottles in the wine operations doubled for the fourth consecutive year and the oil operations has contributed a positive result to the group. I am looking forward to further presenting our strategy and operations when we shareholders meet at the upcoming annual general meeting”, says Robert Karlsson, CEO of Zhoda Investments.

Wine operations

Testament Winery is Croatia’s first winery. The goal is to create Croatia’s best wine and to become the country’s leading exporter of premium wines. During 2021, sales amounted to 200,000 bottles, which is an increase of 140% compared to 82,000 bottles the year before. The sales has doubled for four consecutive years.

Testament Winery is well positioned on the market to benefit from current wine trends. Although tradition is strong in the wine industry, it is also rapidly changing. Modern wine consumers are seeking out under-the-radar and “new” wine regions, where Croatia often fits in despite its over 2,000-year-old wine tradition. Wine consumers wish to try new and local grapes. Testament Winery can boast as many as seven local Dalmatian grapes. In addition, Testament’s wines are sustainably produced in its organic vineyard.

During the year, Testament has strengthened its brands and further penetrated new markets. Several of the wines have won gold medals in Decanter World Wine Awards, the world’s largest and most influential wine competition. The wines are served in six Michelin star restaurants. During 2021 the company launched a new product segment with exclusive wines sold at higher prices and margins.

Testament Winery’s 50-hectare vineyard is organic. The harvest in 2021 amounted to 250 tons, which is significantly higher than the 100 tons in 2020.

The company’s vision is to reach sales of 1 million bottles per year. To reach that target, Zhoda is taking steps to construct a completely new winery at Testament Winery. During 2021, the company received an approval for an investment subsidy of SEK 15 million from EU funds directed towards Croatia’s wine sector.

Oil operations

Zhoda Investments has a minority interest in a Ukrainian oil company. Through a wholly owned subsidiary, the company holds 45 per cent of the operator of the Lelyaki oil field. During 2021, production amounted to 47,000 (72,300) barrels net to Zhoda Investments. It is the company’s objective to increase production, but in the light of the uncertain market conditions in 2021 and the Russian invasion of Ukraine in 2022 the field operator has concentrated its efforts on simpler workovers to maintain production rather than more complex and expensive ones to increase production.

The oil operations contributed an operating profit of SEK 7,810 (-5,643) thousand. During the year, Zhoda Investments received SEK 1 (1) million in dividends from the oil operations.

Financial key ratios for the group

	2021	2020	2019	2018	2017	2016
Sales, SEK th	15 534	8 100	4 925	2 819	3 223	0
Operating result, SEK th	4 486	-8 855	145	12 296	14 099	-3 883
Operating result per share, SEK	0,01	-0,02	0,00	0,05	0,11	-0,21
Equity, SEK	90 337	81 478	98 344	93 063	59 958	51 373
Equity per share, SEK	0,23	0,21	0,25	0,24	0,44	0,39
Equity/asset ratio	85%	88%	92%	92%	84%	98%

Annual general meeting

The annual report in Swedish, attached to this press release, is available on the corporate website www.zhodainvestments.com. The company has published a separate notice to the annual general meeting to be held in Stockholm on 22 June 2022. The notice can be found at the company's website.

For more information, please contact:

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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. In the coastal region of Dalmatia in Croatia, Zhoda owns and manages Testament Winery and Black Island Winery. Based on indigenous organic grapes and a two-thousand-year-old wine tradition, it is Zhoda's award-winning winemakers' objective to create Croatia's best wine and to become the country's leading exporter of premium wines. The vision is to reach a production of one million bottles per year. 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.