

Press release  
Stockholm, 24 October 2018

## Operational update from Smokvica winery

**In spring this year, Zhoda Investments strengthened its position on the Croatian wine market by making an add-on acquisition for premium white wine on the Dalmatian island of Korcula. The company has made significant progress in a short period of time and has started producing approximately 40,000 bottles of Posip wine from the 2018 harvest.**

The company has recruited Dalmatia's leading and award-winning Posip winemaker Igor Radovanovic to manage the Smokvica Winery. In a short period of time, the company has successfully completed reconstruction of part of the winery, installed equipment and selected grapes from the local grape farmers. This has allowed for a production of 40,000 bottles that will be ready for the market already next year.

"I am very pleased with the development in Smokvica Winery. We have achieved great results in a short period of time. Igor, a native of Smokvica, is best of the best when it comes to Posip winemaking. The location of the winery in the village where the Posip grape was discovered 150 years ago is a fantastic story. It does not get more Posip than this", says Robert Karlsson, CEO of Zhoda Investments.

### **The Posip grape – a Dalmatian white wine favorite**

The Posip grape is a genuine Dalmatian white wine favorite. Smokvica Winery is located in the home and heart of Posip, which gives it a marketing edge over other Posip wineries. The company is developing a branding strategy so that the wine story and visual identity will be ready for the 2019 season.

### **Smokvica Winery in the home of Posip**

The Smokvica Winery has a unique position in Croatian wine history. It was previously a Yugoslav co-op where local grape farmers produced wine under a wide and unfocused portfolio of brands. Capacity at its peak amounted to 3 million bottles per year. Zhoda Investments acquired land, buildings and equipment at an auction earlier this year. Following the acquisition, Zhoda Investments has prepared one of the buildings for production by changing the roof, insulating the walls and repairing and installing equipment. The buildings cover 2,500 square meters. In addition to providing ample space for winemaking, the area is also suitable for additional revenue streams from tasting facilities and tourist activity.

### **Dalmatia's leading and award-winning winemakers**

Zhoda Investments has recruited some of Dalmatia's finest new generation winemakers focusing on indigenous varieties, modern approach and precise wine styles. A Posip wine made by Igor Radovanovic was recently awarded a gold medal at the 2018 Decanter World Wine Awards, the world's largest and most influential wine competition. Nikola Mirosevic, working alongside Igor in Smokvica Winery, was recently announced by the Association of Dalmatian Winemakers, founded in 1907, as Young Winemaker of the Year for his work with indigenous varieties.

Zhoda Investments' two wineries are the foundation for reaching the vision of an annual production of 1 million bottles. Testament Winery's organic winery on the Dalmatian coast will primarily produce red wine from the Babic grape. Smokvica Winery on the Dalmatian island of Korcula will focus on white

wine from the Posip grape. Not only do the two wineries make wine from Dalmatian grapes, but they are also both based in the very heart of their respective grape varieties.

#### **Photos from Smokvica Winery**

1. Smokvica Winery main building
2. 30,000 liters under fermentation
3. Manually harvested Posip grapes
4. Smokvica village

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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 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 a winery on the Dalmatian island of Korcula that produces white premium wines from the indigenous Posip grape. 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](http://www.zhodainvestments.com).

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