

Press release
Stockholm, 17 March 2022

Operational update on the oil operations

Zhoda Investments (“Zhoda”) announces an operational update on the oil operations.

“During the past three weeks, our top priority has been the health and safety of our colleagues in Kyiv and at the oil field. We will continue to follow the recommendations of the Ukrainian government to contribute to the stability of the country as well as our own operations”, says Robert Karlsson, CEO of Zhoda Investments.

The Lelyaki oil field is located approximately 150 kilometers east of Kyiv. A limited number of Russian troops have passed through the area but are presently not there. The field and surrounding infrastructure are intact, nevertheless, the circumstances are causing disruptions in operations and production. Zhoda will continue to follow the recommendations and instructions of the Ukrainian government.

The production net to Zhoda in 2021 amounted to 47 000 barrels, compared to 72 000 in the previous year. Due to the pandemic and volatile market conditions, the field operator has in 2021 only made limited investments in workovers and repairs and this has led to a drop in production. When investments into more extensive work programs are made, long-term production will once again increase.

The average Brent oil price in 2021 was 71 dollars per barrel, which is an increase of 70% compared to 42 dollars in 2020.

The year 2021 has been a profitable year for the oil operations. Sales amounted to 65 000 barrels compared to 69 000 in the previous year. Most of the cash flow from oil sales has been allocated towards strengthening the balance sheet by reducing the debt of the field operator. Zhoda’s 45 per cent share of the operator’s accounts payable have during 2021 been reduced to SEK 5 million from SEK 18 million.

Zhoda received a dividend of SEK 1.2 million from the oil operations in 2021.

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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.