

Press release
Stockholm, 28 May 2019

Annual report 2018: Zhoda Investments records a net profit of SEK 13 million

Zhoda Investments ("Zhoda") publishes its annual report for 2018. Both the oil and wine operations have had a strong development during the year. Net income after tax amounted to SEK 13 million.

"Zhoda has had a very successful year with solid operational development and a strong financial result. The oil operations generated a healthy profit and we took several important steps within the wine operations towards our vision of 1 million bottles and our ambition to create Croatia's best wine. 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.

Oil operations

Oil production net to Zhoda during 2018 amounted to 95,000 barrels, and all of the oil produced was sold on prepayment. The company successfully managed to strengthen the field operator's balance sheet, which was one of the prioritized objectives for 2018. During 2018, the operator settled SEK 20 million of the SEK 26 million of historical debt at the beginning of the year. Given continued stable production and sales, Zhoda's share of yearly free cash flow from the oil operations amounts to approximately SEK 20 million per year.

Wine operations

Zhoda took several important steps in developing the organic wine operations Testament Winery during 2018. The company invested in increased production capacity, renovated a building for tasting facilities, implemented a new sales strategy and launched the new brand Testament Winery. Zhoda also strengthened its position on the Croatian wine market by an add-on acquisition of a winery producing white premium wines on the Dalmatian island of Korcula. The total production of wine amounted to over 300,000 bottles, an increase from 100,000 bottles the previous year.

Financial ratios for the group

	2018	2017	2016
Net income after tax, SEK th	12 794	*13 862	-3 978
Earnings per share, SEK	0,05	0,11	-0,22
Total equity, SEK th	93 063	57 836	51 373
Equity per share, SEK	0,24	0,44	0,39
Equity / Asset ratio	92%	84%	98%

*Net income for the previous financial year 2017 contains a positive one-off item of approximately SEK 10 million for collected payments of accounts receivables from previous periods.

The share price at Bequoted's OTC list was SEK 0.15 per share when this release was published.

Annual general meeting

The annual report in Swedish, attached to this press release, will be made 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 18 June 2019. 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. 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.

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