

Press release
Stockholm, 23 June 2021

Zhoda Investments announces an operational update

Ahead of today's Annual General Meeting, Zhoda Investments ("Zhoda") announces an operational update. The world economy has stabilized and international travel and the restaurant sector are step-by-step returning to levels that existed prior to the pandemic, which results in significantly improved market conditions for Zhoda's operations. The wine operations continue to show strong growth and today's oil price of over 70 dollars per barrel provides a healthy platform for the oil operations.

"The markets for Zhoda's investments have improved significantly during 2021. The strong growth in the wine operations continues and the oil price has rebounded sharply. I am convinced that we will be able to generate significant value for the shareholders in 2021 and beyond", says Robert Karlsson, CEO of Zhoda Investments.

Wine operations

Zhoda's wine operations continue to show strong growth. Sales during the first six months of the year reached 80,000 bottles, which is in line with the sales for the full twelve months of 2020, and an increase of 280% compared to the same period last year.

The local Croatian market is the company's primary market as it allows for lower costs for logistics, a strong demand from visitors to the country and no alcohol tax. The tourist season is now starting, which is later than usual, but on the other hand the company expects a longer post-season compared to last year since the vaccination programs are proving to be efficient and that there is pent-up demand for international recreational travel. Revenue from tasting menus and sale of wine at the tasting facilities at Testament Winery are significantly higher compared to the same period last year.

In contrast to many other Croatian wineries, Zhoda has successfully implemented an export strategy that has resulted in growth of sales to other countries. Lead times in international sales are long, but long-term sales can be reached once a contract is concluded. Exports are an important part in reaching Zhoda's vision of selling one million bottles per year.

The plants in the vineyard have started to produce small green unripe berries that will be used to produce the new vintage of babic and posip wines. Everything is proceeding according to plan and Zhoda is looking forward to starting the harvest in August.

The brands *The Dalmatian Dog*, *Testament* and *Merga Victa* are now established and well known on the Croatian wine scene. The winemakers Juraj Sladic and Igor Radovanovic are highly respected for their ability and dedication to taking winemaking on Dalmatian grapes to a new and internationally recognized level.

Zhoda's wineries Testament Winery and Black Island Winery have broadened their product portfolios by developing new premium wines that will be launched during the year. The premium wines will be sold at higher prices with significantly improved margins.

All Swedish wine lovers can join our wine adventure and journey towards creating Croatia's best wine in the wine club Testament Vänner. Application to join the club can be made at testamentvanner.com.

Oil operations

The price of Brent oil has rebounded during the year and reached a healthy level for Zhoda Investments. The price has increased from 50 to today's 74 dollars per barrel. The average price for the year to date is 63 dollars, compared to 42 in the same period last year. The current price level is a strong indication that crude oil will continue to be in great demand now that the world economies are stabilizing.

Zhoda's share of production during the first five months of the year amounted to 51,000 barrels, compared to 67,000 in the same period last year. Several wells have stopped producing for reasons connected to the wells and equipment rather than the reservoir. Lelyaki is a mature field that requires continuous workovers. During the pandemic, the field operator has not been able to secure access to equipment and manpower to remedy natural depletion. The operator is aiming to commence a work program during the summer consisting of installation of new pumps, change of electric cables and fixing of cement to return production volumes to previous levels.

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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.