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Press release, 21 March 2017

## **Pomegranate publishes prospectus and announces price range for its offering of shares**

**Pomegranate Investment AB (publ) ("Pomegranate" or the "Company"), an investment company that has invested in the unique emerging market opportunity in Iran, today publishes a prospectus and announces the price range for its offering of shares (the "Offering").**

Pomegranate Investment AB (publ) was founded in Sweden in 2014 by a pioneering team with a long and successful track record of investing in high growth companies in emerging markets. Pomegranate has identified opportunities in Iran and invested early in future market leaders within consumer technology, e-commerce and offline sectors where first mover advantage has proven to be key, with a view to transfer knowhow and partner with Iranian entrepreneurs. Having gone in earlier than most in Iran, Pomegranate has a critical headstart and is, with its local partners, well positioned to continue expanding in Iran.

Pomegranate has a strong position in Iran's consumer internet sector with premium investments and leading positions in key markets, held directly and indirectly. In addition to the continued potential for value appreciation within the Iranian consumer internet sector, Pomegranate has identified investment opportunities in the Iranian offline retail sectors, particularly in retail fast-moving consumer goods and food retail.

### **The Offering in brief**

- The Offering comprises up to 1,250,000 newly issued shares, corresponding to up to approximately 23.1 percent of the outstanding shares and votes after the Offering.
- The final price in the Offering is expected to be set within the Offering Price Range of EUR 24 – 26 per Offer Share, corresponding to a pre-money valuation of the Company of EUR 100 million – 108 million.
- The new share issue that is conducted as a part of the Offering is expected to render proceeds of up to EUR 30 million to the Company before transaction costs.
- Pomegranate intends to use the net proceeds from the contemplated transaction primarily to finance a pipeline of two new landmark deals, among others:
  - Project Hard Discount Iran ("Project HDI"): Total investment of up to c. EUR 30 million payable between 2017-2020
  - Fast-Moving Consumer Goods Joint Venture – "Project Safi": Total investment of up to c. EUR 5-15 million
  - Basket of smaller deals: Total investment of EUR 4.5 – 8 million in 2017
- The Offering is being made to institutional investors in Sweden and internationally as well as the general public in Sweden.
- Pomegranate has applied for listing of the Company's shares on NGM Equity. As part of this process and in order to meet the listing requirements, Pomegranate intends to convert to IFRS accounting during 2017. A listing on NGM Equity may take place at the earliest after the announcement of the Company's second quarterly report for 2017 provided that Pomegranate meets all the listing requirements and deems a listing to be appropriate, subject to approval from NGM and favourable market sentiment.

**Florian Hellmich, CEO, comments:**

*"Since inception in 2014, Pomegranate has seen considerable positive development around its investments case.*

*Following our latest capital raising one year ago, much has been achieved and many positive developments have taken place. New deals have been negotiated, holdings in existing companies have been strengthened and the team broadened with strong (tech) entrepreneurs and a CFO with significant emerging markets experience. I am particularly excited about the two investment term-sheets signed in December 2016, both of landmark quality. These transactions are intended to diversify our portfolio with investments that have similar expected returns as the online industry with potentially lower, albeit different, execution risk.*

*This public offering will enable us to diversify our portfolio and yet again, we are partnering with very strong, successful entrepreneurs and companies to transfer know-how and create local jobs."*

**Preliminary timetable**

Application period for the general public in Sweden:	22 – 29 March 2017
Application period for institutional investors in Sweden and internationally:	22 – 30 March 2017
Announcement of the final price in the Offering:	On or about 31 March 2017
Payment date:	5 April 2017
Delivery of shares:	On or about 12 April 2017

**Prospectus**

A prospectus with full terms and conditions is published today 21 March 2017, on the Company's website [www.pomegranateinvestment.com](http://www.pomegranateinvestment.com) and on Pareto Securities' website [www.paretosec.com/corp/201703pomegranate](http://www.paretosec.com/corp/201703pomegranate)

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**Advisors**

In connection with the Offering, Pareto Securities acts as Global Coordinator and Joint Bookrunner, Gazprombank acts as Joint Bookrunner, Vinge acts as legal adviser with regards to Swedish law and Freshfields Bruckhaus Deringer LLP acts as legal advisor with regards to sanctions compliance.

**IMPORTANT NOTICE**

The release, publication or distribution of this press release in certain jurisdictions may be restricted. This press release does not constitute an offer of, or an invitation to purchase or subscribe for, any securities of Pomegranate in any jurisdiction.

Specifically, without limiting the foregoing, the Offer Shares have not been registered, and will not be registered, under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities legislation of any state or other jurisdiction in the United States, and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States or to U.S. persons. The Offer Shares are being offered outside the United States in compliance with Regulation S under the Securities Act.

This press release is not a prospectus for the purposes of Directive 2003/71/EC (such Directive, together with any applicable implementing measures under such Directive in the relevant home Member State, the "Prospectus Directive"). Pomegranate has not authorised any offer to the public of shares or rights in any Member State of the European Economic Area and no prospectus or other offering document has been or will be prepared in connection with the Private Placement. With respect to each Member State of the European Economic Area and which has implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken to date to make an offer to the public of shares or rights requiring a publication of a prospectus in any Relevant Member State.

This press release is being issued solely to and directed at persons having professional experience in matters relating to investments and on the basis that each person in the United Kingdom to whom it is issued is reasonably believed to be such a person as is described in Article 19 (Investment professionals) or Article 49 (High net worth

companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("Exempt Persons" and each an "Exempt Person"), or is a person to whom this document may otherwise lawfully be distributed. In addition to the foregoing restrictions, in relation to persons who are in the United Kingdom, this press release is made and directed only at persons falling within the meaning of "qualified investors" as defined in Section 86 of the Financial Services and Markets Act 2000.

Warning: The contents of this press release nor the referenced prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offering. If you are in any doubt about any of the contents of the press release or the referenced prospectus, you should obtain independent professional advice. The Offer Shares may not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that Ordinance; or (b) in other circumstances which do not result in the prospectus being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

In South Africa, this press release does not constitute an offer to the public as contemplated in section 96 of the Companies Act, No 71 of 2008 (as amended) (the "Companies Act"), nor does it call attention to or advertise an offer to the public. To the extent that this document contains any details about any offer to be made in South Africa (if at all), such offer will be directed only at persons who would fall within the categories of persons who are not regarded as members of the public in accordance with the Companies Act, namely:

1. (i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, whether as principals or agents; (ii) the Public Investment Corporation as defined in the Public Investment Corporation Act, No. 23 of 2004 (as amended); (iii) persons regulated by the Reserve Bank of South Africa; (iv) authorised financial services providers as defined in the Financial Advisory and Intermediary Services Act, No. 37 of 2002 (as amended); (v) financial institutions as defined in the Financial Services Board Act, No. 97 of 1990; (vi) a wholly owned subsidiary of the persons contemplated in (iii), (iv) and (v), acting as agent in the capacity of authorised portfolio manager for a pension fund registered in terms of the Pension Funds Act, No. 24 of 1956 or as a manager for a collective investment scheme registered in terms of the Collective Investment Schemes Control Act, No. 45 of 2002; (vii) any combination of the persons contemplated in (i) to (vi); or
2. persons who, were they to subscribe for securities, would subscribe for a minimum amount of R1,000,000 per single addressee acting as principal.

This press release may contain "forward-looking statements", which are statements related to future events. In this context, forward-looking statements often address Pomegranate's expected future business and financial performance, and often contain words such as "expect", "anticipate", "intend", "plan", "believe", "seek", or "will". Forward-looking statements by their nature address matters that are, to different degrees, uncertain and can be influenced by many factors, including the behavior of financial markets, fluctuations in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of regulation and regulatory, investigative and legal actions; strategic actions; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive nature. These factors may cause Pomegranate's actual future results to be materially different than those expressed in its forward-looking statements. Pomegranate does not undertake to update its forward-looking statements.