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Pomegranate Investment AB (publ) Releases Financial Report for the Fourth Quarter 2016 and the Period January 1, 2016–December 31, 2016.

Select highlights for the period

- Net result for the period was EUR 35.6 million (January 1, 2015–December 31, 2015: 18.9). Earnings per share were EUR 8.5 (11.4).
- Net result for the fourth quarter was EUR 35.6 million (18.9). Earnings per share for the quarter were EUR 0.63 (-0.07).
- The net asset value (NAV) of Pomegranate Investment AB (“Pomegranate” or “the Company”) was EUR 132.6 million on December 31, 2016 (December 31, 2015: 39.5), corresponding to EUR 31.92 per share (December 31, 2015: 23.89). The net asset value per share in EUR increased by 33.6% year-on-year. The increase of the Company’s net asset value per share is mainly driven by a revaluation of the investments in Sarava and Sheypoor.
- Two investment term-sheets were signed in December 2016, both of landmark quality.

1.Hard Discount Concept - The plan is to build Iran’s largest food retailer. Small shops (200-400sqm). Led by a team consisting of the most successful food retailers in the EMEA region (former BIM group managers). Pomegranate signed a conditional binding term sheet to invest up to a maximum of EUR 30 million payable over 4 years.

2.Global FMCG Joint Venture - Our JV partners have signed a term sheet with a very reputable global consumer brand to produce and distribute three of their products in Iran. We have negotiated this deal for almost 10 months and are delighted to have signed it before year-end.

Both transactions are intended to become as significant as Sarava – currently the heavyweight with some 73 % of our portfolio NAV - within a sector that has similar growth rates as the online industry combined with what we believe is much lower execution risk given the track records involved.

- Cash and bank amounted to EUR 29.0 million at December 31, 2016 (December 31, 2015: 12.3).

Significant events after the end of the period

- In January 2017, the Company transferred EUR 13.6 million to Sarava, which was the third and final tranche under Pomegranate's commitment from the Sarava financing round in the first quarter of 2016.
- In February 2017, the Company recruited Gustav Wetterling as Chief Financial Officer ("CFO"). Mr. Wetterling replaces Nadja Borisova who has been acting CFO, who will be available for a transition period and will also remain as a board member of Pomegranate. Gustav Wetterling joins Pomegranate from RusForest AB (publ) where he has been CFO for the last three years. Mr. Wetterling has been working in senior management positions in listed companies active in Russia and other emerging markets for most of his career. He brings with him valuable experience from listings and investor relations as well as hands-on operational and financial management in an EM environment. Mr. Wetterling is a Swedish citizen. He holds a Master of Science in Economics and Business from the Stockholm School of Economics. Gustav Wetterling was allocated 3,000 warrants in the Company.
- Following the resolution of the Board of Directors' meeting held on October 27, 2016, the Company participated in the series-A funding round in Carvanro, which was concluded on February 20, 2017. Pomegranate is committed to additionally investing a total of EUR 768,300, divided into two tranches. The first tranche, corresponding to fifty per cent of the total investment was paid at the time of closing. The second tranche will be paid in July 2017, upon the Company reaching a set of specific agreed KPIs. One new, local investor participated in the fundraising. Post completion Pomegranate's ownership in Carvanro will amount to 40.0% of the company's shares.

Management Comments

Florian Hellmich, CEO of Pomegranate Investment AB (publ), commented:

"2016 has been a very significant year for the Company, with many great achievements and positive developments. New landmark deals have been secured, holdings in pre-existing portfolio companies have been strengthened and the team has been broadened. The long-term opportunity in Iran is unchanged. As I constantly remind people, it is necessary to understand the facts, and to separate them from the headlines to really appreciate the underlying positive developments in the Iranian economy. Our portfolio companies are focused on Iranian consumers, which is why they deliver such significant growth. One must also not forget that EU/UN sanctions were only lifted one year ago."

For additional information, please visit the Company's website at www.pomegranateinvestment.com or contact:



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About Pomegranate

Pomegranate Investment AB (publ) is based in Sweden and was founded in 2014 by a pioneering team with a long and successful track record of investing in high growth companies in emerging markets, particularly in the technology sector. Pomegranate is an investment company that has a strong position primarily in Iran's consumer technology sector, which, with the easing of international sanctions, represents an extraordinary growth opportunity for European investors. We are entrepreneurs, we have invested in entrepreneurs and a significant proportion of our investors are entrepreneurs themselves.

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