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Press release, May 16, 2016

## **Pomegranate completes successful pre-IPO private placement of shares.**

**Pomegranate Investment AB (publ) ("Pomegranate" or the "Company"), an investment company focusing on the unique investment opportunity in Iran, hereby announces the outcome of its recent private placement of new shares (the "Offering").**

The Offering attracted strong interest from a wide range of investors, including but not limited to, institutional asset managers, specialist tech funds, emerging market investors and entrepreneurs as well as family offices. The Offering was over-subscribed and the upside option was fully exercised.

The Offering was structured as a pre-IPO private placement of new shares. Pomegranate's intention is to complete an initial public offering, with listing in Sweden, within twelve months post closure of the Offering.

### **The Offering in brief**

- The price in the Offering was €24 per share, implying a pre-money valuation of €40m based on the Company's 1,654,601 shares outstanding before the Offering.
- The Offering originally comprised up to 2,083,333 new shares (equivalent to €50m) but was, in accordance with the terms of the Offering, increased by 416,667 additional new shares (equivalent to €10m). Thus, the final Offering comprised 2,500,000 new shares, equivalent to €60m, representing 60% of the shares and votes in Pomegranate after the Offering.
- The Company received gross proceeds of €60m through the issue of new shares as a part of the Offering.
- The total number of shares in Pomegranate is 4,154,601 shares after the Offering, implying a post-money valuation of €100m based on the Offer price of €24.
- The Offering garnered strong interest from existing shareholders, jointly acquiring €11.6m of the Offering, more than 50% of what Pomegranate has raised in previous founding rounds combined. More than 50% of Pomegranate's approximately 100 existing shareholders, including CEO Florian Hellmich, participated in the Offering.
- Approximately 100 new investors were allocated shares in Pomegranate through the Offering. Geographically our combined old and new shareholders are predominantly from Northern and Western Europe, 50% from Sweden, 18% UK, 17% CEE, 12% from Switzerland and Austria, and 3% others.



The proceeds of this private placement will enable Pomegranate to proceed with its planned investment

in Iran's fastest growing sectors, in particular in consumer technology, which presents its shareholders with a unique opportunity in a sector with significant growth potential. With its entrepreneurial background, Pomegranate is committed to transfer of knowhow to its partners and will be working closely with its investee companies to help them scale and tackle the challenges of fast growth in coming years.

**Florian Hellmich, CEO, comments:**

*"We are humbled by the strong interest shown in becoming a shareholder of Pomegranate and very pleased with the outcome of the Offering which positions us well, together with our Iranian partners, to be part of the unique investment opportunity we believe Iran represents. We thank our existing shareholders for their continued support, welcome our new shareholders to Pomegranate, and look forward to working with our local partners to accelerate our business strategy on the back of the capital successfully raised in the Offering.*

*Pomegranate has a fundamental and constant belief that good business and good investment comes from mutual understanding, trust and partnership along with transfer of knowhow through personal commitments. This means that our management, the people who invest in us and the businesses in which we invest are drawn together into a partnership by mutual respect and a strong desire to be successful together.*

*Together with our Iranian partners we will continue to support Iranian entrepreneurs to develop their businesses and create jobs that are accretive to the Iranian economy by remaining focused on the new expanding segments of the economy."*

**Advisors**

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

**For further information, please contact**

Florian Hellmich, CEO  
Tel: +46 8 545 015 50  
Email: [florian.hellmich@pomegranateinvestment.com](mailto:florian.hellmich@pomegranateinvestment.com)

Investor Relations  
Email: [ir@pomegranateinvestment.com](mailto:ir@pomegranateinvestment.com)

Media requests  
Email: [mediarequests@pomegranateinvestment.com](mailto:mediarequests@pomegranateinvestment.com)

**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 focused on early stage investment 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 invest in entrepreneurs and a significant proportion of our investors are entrepreneurs themselves.

### **Main holdings**

Pomegranate has been able to establish a unique position as one of the first international investors in Iran's consumer internet space. Pomegranate's main investment is in Sarava, where it remains a minority shareholder and is committed to transfer of know-how and management experience. Sarava is a pioneer in Internet and e-commerce investments in Iran and, through offering world class services and mentorship, has established a unique track record in supporting local entrepreneurs to build some of the most successful consumer technology companies in the country and region. Pomegranate further holds minority stakes in Sheypoor, the no 2 online classified business, Griffon Capital, a newly formed Iran- focused investment and advisory boutique, and Carvanro, Iran's first online ride-sharing service. Pomegranate aims to hold between 5 and 10 minority stakes in consumer tech and consumer companies.

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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.

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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.

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 behaviour 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.